

**ANGAS CONTRIBUTORY MORTGAGE FUND**

**ARSN: 151 979 645**

**Annual report for the financial year ended 30 June 2017**

## Directors' report

The directors of Angas Securities Limited (ACN 091 942 728) ("Angas") the responsible entity submit herewith the annual report of Angas Contributory Mortgage Fund for the financial year ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Information about the directors and senior management

The names and particulars of the directors of the Responsible Entity during or since the end of the financial year are:

Name	Particulars
Andrew Luckhurst-Smith	Executive Chairman. Lawyer who has practiced principally in the area of banking and finance, member of the Banking and Financial Services Law Association of Australia Limited, joined the Board 29 March 2000.
Matthew John Hower	Managing Director. Finance industry experience in area of corporate structured finance, joined the Board 29 March 2000.
Clive Thomas Guthrie	Non-executive Director. Twenty seven years at Westpac handling general banking, financial services and trust management followed by fifteen years at Trust Company as manager of corporate trusts and head of Structured Finance. Joined the board 1 July 2013.

The above named directors held office during the whole of the financial year and since the end of the financial year.

### Principal Activities

The Fund is a registered management investment scheme domiciled in Australia. The principal activity of the Fund during the course of the financial year was to invest funds in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of the Constitution.

There has been no significant change in the activities of the Fund during the financial year.

The Fund did not have any employees during the financial year.

### Review of Operations

The results of the operations of the Fund are disclosed in the statement of comprehensive income of these financial statements. The net profit for the year ended 30 June 2017 was Nil (2016: \$Nil).

The Fund provides for mortgage investments secured by a variety of real estate such as metropolitan residential property with a mix of commercial and suitable regional, rural, coastal or industrial properties. Each mortgage investment is an individual sub-scheme offered to the Fund members who choose whether and how much to invest. Total mortgage investments as at 30 June 2017 stand at \$53,296,656 (2016: \$46,706,818). The Fund will continue to grow under the same objectives and guidelines as the current reporting period.

### Distributions

The Fund is not a trust and therefore no distributions have been paid or declared since the start of the financial year, and no distributions in respect of the financial year are payable in accordance with the Constitution.

### Change in state of affairs

During the financial year there was no significant change in the state of affairs of the Fund, apart from the matters noted above.

### Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of the Fund, or the state of affairs of the Fund in future financial years.

### Future developments

The Fund proposes to maintain its core operating functions whilst continuing to build revenue. Through the development of customer relationships and business contacts, the Fund aims to grow investor funds to invest in sub-schemes.

Angas is proposing to transfer the role of Responsible Entity and manager of the Fund to a wholly owned subsidiary, which was incorporated during 2016/17. ASIC is currently assessing this application, which has been ongoing since October 2016. This internal re-structure, if implemented, will not affect the operations of the Fund nor the personnel who carry on the day to day business operations.

### **Options granted**

No options were:

- (i) Granted over unissued units in the Fund during or since the end of the financial year; or
- (ii) Granted to the Responsible Entity.

No unissued units in the Fund were under option as at the date on which this Report is made.

No units were issued in the Fund during or since the end of the financial year as a result of the exercise of an option over unissued units in the Fund.

### **Indemnification of officers and auditors**

During the financial year, the Responsible Entity paid a premium in respect of a contract insuring the directors of the Responsible Entity (as named above), the secretary of the Responsible Entity and all executive officers of the Responsible Entity against a liability incurred as such a director, secretary or executive officer, to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the year, except to the extent permitted by law, indemnified, or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

### **Fees paid to and interest held in the Fund by the Responsible Entity**

The Responsible Entity is entitled to lending income charged to borrowers including establishment fees, loan extension fees and early repayment fees. These fees have no impact on the investors or returns generated from the Fund. The Responsible Entity also collects a monthly management fee which is deducted from the interest as and when received from the Borrower in accordance with the Syndicate PDS.

No fees were paid to the directors of the Responsible Entity during the financial year ending 30 June 2017.

### **Interests in the Fund**

The value of the Fund's assets and liabilities is disclosed in Note 9 and derived using the basis set out in Note 3 to the financial statements.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 4 of the annual report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity, Angas Securities Limited.



Matthew Hower  
Managing Director  
Adelaide, 28 September 2017

**AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS  
OF ANGAS SECURITIES LIMITED AS RESPONSIBLE ENTITY OF  
THE ANGAS CONTRIBUTORY MORTGAGE FUND**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

*Perks Audit*

PERKS AUDIT PTY LTD  
180 Greenhill Road  
Parkside SA 5063

*P Hill*

PETER J HILL  
Director  
Chartered Accountant  
Registered Company Auditor

28 September 2017  
Adelaide

## INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF THE ANGAS CONTRIBUTORY MORTGAGE FUND

### Report on the financial report

We have audited the accompanying financial report of the Angas Contributory Mortgage Fund, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

#### *Directors' responsibility for the financial report*

The directors of Angas Securities Limited ("the Responsible Entity") 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 control 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.

#### *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 as to whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessments of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 opinion.

#### *Independence*

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

*Auditor's Opinion*

In our opinion;

the financial report of Angas Contributory Mortgage Fund is in accordance with the Corporations Act 2001, including;

- a. giving a true and fair view of the entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- b. complying with Australian Accounting Standards and the Corporations Regulations 2001, other mandatory professional reporting requirements in Australia and International Financial Reporting Standards.



**PERKS AUDIT PTY LTD**

180 Greenhill Road  
PARKSIDE SA 5063



**PETER J HILL**

Director  
Registered Company Auditor  
Chartered Accountant

Dated this 28 September 2017

## Directors' declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 3 to the financial statements; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity, Angas Securities Limited.



Matthew Hower  
Director

Adelaide, 28 September 2017



## Index to the financial report

<b>Contents</b>	<b>Page</b>
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	
1. General information	13
2. Adoption of new and revised Accounting Standards	13
3. Significant accounting policies	14
4. Critical accounting judgments and key sources of estimation uncertainty	16
5. Cash and cash equivalents	16
6. Trade and other receivables	16
7. Trade and other payables	16
8. Intercompany Account - Payable	16
9. Assets, Liabilities and Right of Indemnity	17
10. Commitments	17
11. Contingent liabilities and contingent assets	17
12. Subsequent events	17

**Statement of comprehensive income  
for the financial year ended 30 June 2017**

Note	Year ended 30 June 2017 \$	Year ended 30 June 2016 \$
<b>Income</b>		
Interest	-	-
Other Income	-	-
<b>Total income</b>	-	-
<b>Expenses</b>		
Lending Expenses	-	-
Other expenses	-	-
<b>Total expenses</b>	-	-
<b>Profit</b>	-	-
<b>Other Expenses</b>		
Transfers to Responsible Entity	-	-
<b>Net profit</b>	-	-
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	-	-

A deed of variation was issued on 25 June 2014 to amend the original constitution. The change to the constitution provided clarity around the Funds assets and the recording of income and expense through the Fund which have resulted in amendments in the way the Statement of comprehensive income and Statement of financial position are presented. In previous financial years, income and expenses were recognised in the ACMF profit and loss then the net income was transferred to the Responsible Entity at the end of each month. In recent financial years, income and expenses have been recognised directly in the profit and loss of the Responsible Entity.

Notes to the financial statements have been included in the accompanying pages.

**Statement of financial position  
as at 30 June 2017**

	Note	30 June 2017 \$	30 June 2016 \$
<b>Assets</b>			
Cash and cash equivalents	5	3,458,978	528,408
Trade and other receivables	6	465,701	-
<b>Total assets</b>		<b>3,924,679</b>	<b>528,408</b>
<b>Liabilities</b>			
Trade and other payables	7	3,337,303	429,018
Intercompany – Responsible Entity	8	587,376	99,390
<b>Total liabilities</b>		<b>3,924,679</b>	<b>528,408</b>
<b>Net assets</b>		-	-
<b>Equity</b>			
Retained Earnings		-	-
<b>Total equity</b>		-	-

Notes to the financial statements have been included in the accompanying pages.

**Statement of changes in equity  
for the financial year ended 30 June 2017**

Note	30 June 2017 \$	30 June 2016 \$
<b>Total equity at 1 July 2015</b>	-	-
Net Profit for the year	-	-
Net income and expenses recognised directly in equity	-	-
<b>Total recognised income and expense for the year</b>	-	-
<b>Total equity at 1 July 2016</b>	-	-
Net Profit for the year	-	-
Net income and expenses recognised directly in equity	-	-
<b>Total recognised income and expense for the year</b>	-	-
<b>Total equity at 30 June 2017</b>	-	-

Notes to the financial statements have been included in the accompanying pages.

**Statement of cash flows  
for the financial year ended 30 June 2017**

	Year ended 30 June 2017	Year ended 30 June 2016
Note	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers	487,986	(109,308)
Other payments received	2,212,913	(30,073)
<b>Net cash generated by / (used in) operating activities</b>	<b>2,700,899</b>	<b>(139,381)</b>
<b>Cash flows from investing activities</b>		
Proceeds from borrowers	42,556,417	30,851,182
Payments to borrowers	(49,146,255)	(1,670,000)
Interest received in advance	171,353	(337,447)
<b>Net cash generated by / (used in) investing activities</b>	<b>(6,418,485)</b>	<b>28,843,735</b>
<b>Cash flows from financing activities</b>		
Receipts from investors	56,715,656	6,028,000
Repayments to investors	(50,067,501)	(35,734,489)
<b>Net cash generated by / (used in) financing activities</b>	<b>6,648,155</b>	<b>(29,706,489)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,930,569</b>	<b>(1,002,135)</b>
Cash and cash equivalents at the beginning of the financial year	528,409	1,530,543
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3,458,978</b>	<b>528,408</b>

Notes to the financial statements have been included in the accompanying pages.

## 1. General information

Angas Contributory Mortgage Fund (the Fund) is a registered managed investment scheme domiciled in Australia. The Responsible Entity of the Fund is Angas Securities Limited (the Responsible Entity). The investment scheme is managed by the Responsible Entity to provide investors with both the security of a registered mortgage over Property, and distribution of monthly returns.

This financial report covers the Fund as an individual entity.

## 2. Application of new and revised Accounting Standards

### 2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied two amendments to AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2016, and therefore relevant for the current year end.

AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	Amends a number of pronouncements as a result of the IASB's 2012-2014 annual improvements cycle
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	Amends AASB 101 Presentation of Financial Statements to provide clarification regarding the disclosure requirements in AASB 10
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	Amends AASB 10 Consolidated Financial Statements, AASB 12 Disclosures of Interests in Other Entities and AASB 128 Investments in Associates and Joint Venture

The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

### 2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15'	1 January 2018	30 June 2019
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture', AASB 2015-10 'Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB128'	1 January 2018	30 June 2019
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018

### 3. Significant accounting policies

#### Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Fund's Constitution, the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Fund comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors of the Responsible Entity on 28 September 2017.

#### Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

#### Critical accounting judgments and key sources of estimation uncertainty

In the application of the Fund's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 4 for a discussion of critical judgements in applying the Fund's accounting policies, and key sources of estimation uncertainty.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

#### (a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Where amounts do not meet the recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met. Revenue is recognised and measured at the fair value of the consideration received or receivable for the sale of goods and services, net of the amount of Goods and Services Tax (GST) levied.

##### *Interest income*

Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial assets.

As noted above, in the previous financial year income was recognised in the ACMF profit and loss. Changes to the constitution through a deed of variation meant income was recognised directly in the profit and loss of the Responsible Entity in the current financial year.

#### (b) Expenses

All expenses, including the Responsible Entity's fees, are recognised in the statement of comprehensive income on an accruals basis.

As noted above, in the previous financial year expenses were recognised in the ACMF profit and loss. Changes to the constitution through a deed of variation meant expenses were recognised directly in the profit and loss of the Responsible Entity in the current financial year.

#### (c) Income tax

All profits of the Fund are distributed to the Responsible Entity and any income tax payable is recognised and paid by the Responsible Entity.

#### (d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

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

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

### 3. Significant accounting policies (continued)

#### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments or other short term highly liquid investments, net of outstanding bank overdrafts.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### (f) Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### *Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Fund's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### (g) Financial liabilities and equity instruments issued by the Fund

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

##### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the



amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### 4. Critical accounting judgments and key sources of estimation uncertainty

##### Critical judgments in applying the Fund's accounting policies

The following are the critical judgements that management has made in the process of applying the Fund's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

In the process of applying the Fund's accounting policies, management has made a judgement in respect of impairment of assets which has the most significant effect on the amounts recognised in the financial statements. The Fund assesses impairment at each reporting date by evaluating conditions specific to the Fund that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

#### 5. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statements of financial position as follows:

	30 June 2017	30 June 2016
	\$	\$
Cash at bank (Operating account)	140,035	4,009
Cash at bank (Investor Trust)	2,667,735	73,481
Cash at bank (Interest Trust)	651,208	450,918
	<b>3,458,978</b>	<b>528,408</b>

Reconciliation of profit for the period to net cash flows from operating activities

	Year ended 30 June 2017	Year ended 30 June 2016
	\$	\$
Profit for the year	-	-
Finance costs	-	-
Net profit for the year	-	-
Changes in net assets:		
Increase/ (decrease) in income receivable	2,212,913	(30,073)
Increase / (decrease) in creditors and accruals	487,986	(109,308)
<b>Net cash inflow from operating activities</b>	<b>2,700,899</b>	<b>(139,381)</b>

#### 6. Trade and other receivables

	30 June 2017	30 June 2016
	\$	\$
Other receivables	465,701	-

#### 7. Trade and other payables

	30 June 2017	30 June 2016
	\$	\$
Interest payable to investors	580,195	408,842
Other payables	2,757,108	20,176
	<b>3,337,303</b>	<b>429,018</b>

#### 8. Intercompany Account – Angas Securities Limited

	30 June 2017	30 June 2016
	\$	\$
Intercompany Account	587,376	99,390

## 9. Assets, Liabilities and Right of Indemnity

Each sub-scheme of the Fund is managed severally by Angas Securities Limited in its capacity as the Responsible Entity. The Responsible Entity has a right of indemnity for the liabilities of each sub-scheme to the extent of the assets of each sub-scheme. Any shortfall is met by the investors of each sub-scheme severally. Assets of sub-schemes are not available to meet the liability of other sub-schemes.

The assets of the Fund are not directly available to meet any liability of the Responsible Entity operating in its own right.

Assets and liabilities managed by Angas Contributory Mortgage Fund not recognised in the financial statements are:

	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Interest bearing assets- Angas Securities Limited	11,595,000	8,417,000
Interest bearing assets- Non related parties	41,701,656	38,289,818
<b>Total Assets</b>	<b>53,296,656</b>	<b>46,706,818</b>
<b>Liabilities</b>		
Interest bearing liabilities- Angas Securities Limited	11,595,000	8,417,000
Interest bearing liabilities- Non related parties	41,701,656	38,289,818
<b>Total Assets</b>	<b>53,296,656</b>	<b>46,706,818</b>
<b>Net Assets</b>	<b>-</b>	<b>-</b>

## 10. Commitments

The Fund has no commitments as at balance date (2016: \$nil).

## 11. Contingent liabilities and contingent assets

At the date of this report, the Directors of the Responsible Entity are unaware of any liabilities or assets, contingent or otherwise, that were not already disclosed elsewhere in this report.

## 12. Subsequent events

Further to meetings held by the Responsible Entity of its debenture holders on 10 August 2015 ("First Run-Off Proposal") and 11 August 2016 ("Second Run-Off Proposal"), in which the motions set out in the respective Explanatory Statements were approved, another meeting of debenture holders was convened on 16 August 2017. At this meeting, the debenture holders voted in favour of the extraordinary resolution, being the "Third Run-Off Proposal". The outcome of this meeting was then approved by the Federal Court on 1 September 2017.

The Run-Off Proposals have no direct impact on the Fund save that Angas has proposed that there be an internal re-structure to permit a sale of the rights to act as Responsible Entity and manager of the Fund in order for Angas to obtain market value for those rights if required to fully discharge its obligations to debenture holders. ASIC is currently assessing this application, which has been ongoing since October 2016. The Board continues to closely monitor the requirements of Angas Securities Ltd as the Responsible Entity of the AFSL and its role as Manager for the Fund.