

**ANGAS DIRECT MORTGAGE FUND (“ANGAS DIRECT”)  
ARSN: 151 979 645**

**Annual report for the financial year ended 30 June 2020**

## Directors' report

The directors of Angas Securities Limited (ACN 091 942 728) ("Angas") the responsible entity, submit herewith the annual report of Angas Direct (the "Fund") for the financial year ended 30 June 2020. 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	Non-executive 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.
Randal Williams	Non-executive Director Lawyer with extensive experience in financial services, most recently as Chief Risk Officer and Chief Lending Officer at La Trobe Financial Services, joined the Board 1 March 2019.

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 managed 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 ("PDS") 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 2020 was Nil (2019: \$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 2020 stand at \$48,431,267 (2019: \$49,160,187).

### 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.

### **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 2020.

### **Interests in the Fund**

The value of the Fund's assets and liabilities is disclosed in Note 8 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.




Andrew Luckhurst-Smith  
Executive Chairman  
Adelaide, 11 September 2020

**AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS  
OF ANGAS SECURITIES LIMITED AS RESPONSIBLE ENTITY OF  
THE ANGAS DIRECT MORTGAGE FUND ("ANGAS DIRECT")**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, 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 PTY LTD  
180 Greenhill Road  
Parkside SA 5063

  
PETER J HILL  
Director  
Chartered Accountant  
Registered Company Auditor

11 September 2020  
Adelaide

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE ANGAS DIRECT MORTGAGE FUND (“ANGAS DIRECT”)

### Report on the financial report

We have audited the accompanying financial report of Angas Direct, which comprises the statement of financial position as at 30 June 2020, 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 Direct 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 2020 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*

**PERKS AUDIT PTY LTD**

180 Greenhill Road  
PARKSIDE SA 5063

*P Hill*

**PETER J HILL**

Director  
Registered Company Auditor  
Chartered Accountant

Dated this 11 September 2020

## 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.



Andrew Luckhurst-Smith  
Executive Chairman  
Adelaide, 11 September 2020



## 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. Application of new and revised Accounting Standards	13
3. Significant accounting policies	14
4. Critical accounting judgments and key sources of estimation uncertainty	17
5. Cash and cash equivalents	17
6. Trade and other payables	17
7. Intercompany Account – Responsible entity	17
8. Assets, Liabilities and Right of Indemnity	18
9. Commitments	18
10. Contingent liabilities and contingent assets	18
11. Subsequent events	18

**Statement of comprehensive income  
for the financial year ended 30 June 2020**

Note	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
<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 Angas Direct 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 2020**

	Note	30 June 2020 \$	30 June 2019 \$
<b>Assets</b>			
Cash and cash equivalents	5	622,474	2,031,697
<b>Total assets</b>		<b>622,474</b>	<b>2,031,697</b>
<b>Liabilities</b>			
Trade and other payables	6	597,587	2,011,452
Intercompany – Responsible Entity	7	24,887	20,245
<b>Total liabilities</b>		<b>622,474</b>	<b>2,031,697</b>
<b>Net assets</b>		-	-
<b>Equity</b>			
Retained Earnings		-	-
<b>Total equity</b>		<b>-</b>	<b>-</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 2020**

Note	30 June 2020 \$	30 June 2019 \$
<b>Total equity at 1 July 2018</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 2019</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 2020</b>	-	-

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

**Statement of cash flows  
for the financial year ended 30 June 2020**

	Note	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers		3,814	(84,428)
Other payments		-	(891,442)
<b>Net cash generated by / (used in) operating activities</b>	5	<b>3,814</b>	<b>(975,870)</b>
<b>Cash flows from investing activities</b>			
Proceeds from borrowers		22,745,000	48,745,578
Payments to borrowers		(22,016,080)	(56,055,880)
Interest in advance received/(paid)		(775,894)	758,896
<b>Net cash generated by / (used in) investing activities</b>		<b>(46,974)</b>	<b>(6,551,406)</b>
<b>Cash flows from financing activities</b>			
Receipts from investors		35,566,732	66,870,338
Repayments to investors		(36,932,795)	(59,560,036)
<b>Net cash generated by / (used in) financing activities</b>		<b>(1,366,063)</b>	<b>7,310,302</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,409,223)</b>	<b>(216,974)</b>
Cash and cash equivalents at the beginning of the financial year		2,031,697	2,248,671
<b>Cash and cash equivalents at the end of the financial year</b>	5	<b>622,474</b>	<b>2,031,697</b>

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

## 1. General information

Angas Direct (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 Fund has applied 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 2019, and therefore relevant for the current year end.

AASB 16 'Leases'	Under IFRS 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their balance sheets for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the balance sheet will be required to be capitalised on the balance sheet once IFRS 16 is adopted
AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures	This Standard amends AASB 128 to clarify that an entity is required to account for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9 Financial Instruments before applying the loss allocation and impairment requirements in AASB 128.
AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation	This Standard amends AASB 9 to permit entities to measure at amortised cost or fair value through other comprehensive income particular financial assets that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature. This is subject to meeting other conditions such as the nature of the business model relevant to the financial asset. Otherwise, the financial assets would be measured at fair value through profit or loss
AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle	This standard amends the following standards: a) AASB 3 to clarify that an entity remeasures its previously held interest in a joint operation when it obtains control of the business; b) AASB 11 to clarify that an entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business; c) AASB 112 to clarify that an entity accounts for all income tax consequences of dividend payments according to where the entity originally recognised the past transactions or events that generated the distributable profits; and d) AASB 123 to clarify that an entity treats any borrowing originally made to develop a qualifying asset as part of general borrowings when the asset is ready for its intended use or sale.

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

## 2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of financial statements, the Standards and Interpretations which may be relevant to the Fund 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 2018-1 Amendments to Australian Accounting Standards Annual Improvements 2015–2017 Cycle	1 January 2020	30 June 2021
AASB 17 Insurance Contracts – establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.	1 January 2021	30 June 2022
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material. The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material	1 January 2020	30 June 2021
AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB	1 January 2020	30 June 2021
AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia - This Standard makes amendments to AASB 1054 by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in par 30 and 31 of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors on the potential effect of an IFRS Standard that has not yet been issued by the AASB. This will ensure that for-profit publicly accountable entities complying with Australian Accounting Standards can assert compliance with IFRS Standards	1 January 2020	30 June 2021

The impact of these standards on the Fund has not yet been assessed. The assessment will commence in the 2021 financial year

## 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 11 September 2020.

### **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 previous financial years income was recognised in the Angas Direct profit and loss. Changes to the constitution through a deed of variation on 25 June 2014 meant since that time income was recognised directly in the profit and loss of the Responsible Entity.

#### **(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 previous financial years expenses were recognised in the Angas Direct profit and loss. Changes to the constitution through a deed of variation on 25 June 2014 meant since that time expenses were recognised directly in the profit and loss of the Responsible Entity.

#### **(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.

#### **(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 2020	30 June 2019
	\$	\$
Cash at bank (Operating account)	24,887	18,836
Cash at bank (Investor Trust)	19,685	659,065
Cash at bank (Interest Trust)	577,902	1,353,796
	<b>622,474</b>	<b>2,031,697</b>

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

	Year ended 30 June 2020	Year ended 30 June 2019
	\$	\$
Profit for the year	-	-
Finance costs	-	-
Net profit for the year	-	-
Changes in net assets:		
Increase/ (decrease) in income receivable	-	(891,442)
Increase / (decrease) in creditors and accruals	3,814	(84,428)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>3,814</b>	<b>(975,870)</b>

#### 6. Trade and other payables

	30 June 2020	30 June 2019
	\$	\$
Interest payable to investors	577,902	1,353,796
Other payables	19,685	657,656
	<b>597,587</b>	<b>2,011,452</b>

#### 7. Intercompany Account – Responsible entity

	30 June 2020	30 June 2019
	\$	\$
Intercompany Account payable	24,887	20,245

## 8. Assets, Liabilities and Right of Indemnity

Each sub-scheme of the Fund is managed severally by Angas 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 through Angas Direct not recognised in the financial statements are:

	30 June 2020 \$	30 June 2019 \$
<b>Assets</b>		
Interest bearing assets - Angas Securities Limited (Angas Prime)	11,791,267	11,426,187
Interest bearing assets - Non related parties	36,640,000	37,734,000
<b>Total Assets</b>	<b>48,431,267</b>	<b>49,160,187</b>
<b>Liabilities</b>		
Interest bearing liabilities - Angas Securities Limited (Angas Prime)	11,791,267	11,426,187
Interest bearing liabilities - Non related parties	36,640,000	37,734,000
<b>Total Liabilities</b>	<b>48,431,267</b>	<b>49,160,187</b>
<b>Net Assets</b>	-	-

## 9. Commitments

The Fund has no commitments as at balance date (2019: \$nil).

## 10. 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.

## 11. Subsequent events

There were no subsequent events to report.