

ANGAS ASSET MANAGEMENT FUND

ARSN: 633 454 832

Financial report for the half-year ended 31 December 2023

Directors' report

The directors of Angas Securities Limited (ACN 091 942 728) ("Angas") the Responsible Entity, submit herewith the financial report of Angas Asset Management Fund ("AAMF" or "the Trust" or "the Fund") for the half-year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the directors

The names and particulars of the directors of the Responsible Entity during or since the end of the half-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.
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.
Kellie Stocker	Non-executive Director Economist with a diverse academic, legal and business background, joined the Board on 14 September 2020. Term expired 24 November 2023.
Natalie Gatis	Executive Director Lawyer with experience in commercial litigation, corporate governance, compliance and legal risk management, and the management of mortgage securities in the financial services and banking sectors, joined the Board 24 November 2023.

The above named directors held office during the whole of the half-year and since the end of the half-year except for:

- Kellie Stocker – term expired 24 November 2023
- Natalie Gatis - appointed 24 November 2023

Principal Activities

The Trust is a registered management investment scheme domiciled in Australia. The principal activity of the Trust in the course of the half-year is to realise Legacy Assets transferred from Angas on 3 June 2019 in accordance with the Scheme of Arrangement and return capital to unit holders (this is discussed in more detail under Note 2 Scheme of Arrangement).

The Trust is a closed trust and did not have any employees during the financial year.

Review of Operations

The results of the operations of the Trust are disclosed in the statement of profit or loss and other comprehensive income of these financial statements. The loss after fair value adjustment for the half-year ended 31 December 2023 was \$294,605 (Dec 2022: \$3,408,640 loss).

Distributions and unit redemptions

There were no distributions made during the half-year.

In respect of the half-year ended 31 December 2023, there were no unit redemptions paid (Dec 2022: \$4,498,247).

Changes in the state of affairs

There was no significant change in the state of affairs of the Trust during the half-year.

Subsequent events

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

Future developments

The Board's objective over the next year is to continue to realise Legacy Assets for the benefit of unitholders, and ultimately to close the Trust. AAMF is nearing its conclusion and only holds a few remaining assets, with Bio-credits representing the majority of the Trust's value.

Indemnification of officers and auditors

During the half-year, the Responsible Entity paid a premium in respect of a contract insuring the directors of the Responsible Entity (as named above), the company secretary of the Responsible Entity and all executive officers of the Responsible Entity and of any related body corporate against a liability incurred as such a director, company 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 half-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 Trust by the Responsible Entity

In accordance with the Scheme of Arrangement, no management fees were paid by the Trust to the Responsible Entity. However, as described in note 5, and in accordance with Australian Accounting Standards, a notional management fee was required to be brought to account upon implementation of the Scheme of Arrangement. This was amortised during the half-year ending 31 December 2023 in the amount of \$28,452 (Dec 2022: \$42,676).

No fees were paid by the Trust to the directors of the Responsible Entity during the half-year ending 31 December 2023.

The Responsible Entity or its associates did not hold any interests in the Trust during the half-year ending 31 December 2023.

Interests in the Trust

The movement in units on issue in the Trust during the half-year is disclosed in Note 7 to the financial statements.

The value of the Trust's assets and liabilities is disclosed in the Statement of Financial Position and derived using the basis set out in Note 2 to the financial statements.

Auditor's independence declaration

The auditor's independence declaration is included after this report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

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



Andrew Luckhurst-Smith
Executive Chairman
Adelaide, 29 February 2024

Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Angas Securities Limited, the Responsible Entity of the Angas Asset Management Fund.

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Adelaide SA 5000
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In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Angas Securities Limited. As the lead audit partner for the review of the financial report of Angas Asset Management Fund for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- a) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) Any applicable code of professional conduct in relation to the review.


PERKS AUDIT PTY LTD


PETER J HILL
Director
Registered Company Auditor

Date: 29th February 2024

Chartered Accountants
Perks & Associates Pty Ltd

ACN 008 053 576 / ABN 50 507 079 554
Liability limited by a scheme approved
under Professional Standards Legislation.

Audit
Perks Audit Pty Ltd

ACN 109 602 100 / ABN 20 173 474 661
Liability limited by a scheme approved
under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd

ACN 086 643 058 / ABN 88 086 643 058
Australian Financial Services
Licence No. 236 551

Finance
Perks Finance Pty Ltd

ACN 101 919 537 / ABN 76 533 199 660
Australian Credit Licence No. 378241

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS OF THE ANGAS ASSET MANAGEMENT FUND

Report on the interim Financial Report

We have reviewed the accompanying half-year financial report of Angas Asset Management Fund, which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Angas Securities Limited ("the Responsible Entity") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with *the Corporations Act 2001* including: giving a true and fair view of Angas Asset Management Fund's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Angas Asset Management Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted on accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Angas Securities Limited, would be in the same terms if given to the directors as at the time of this report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Angas Asset Management Fund is not in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of Angas Asset Management Fund's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.


PERKS AUDIT PTY LTD
8/81 Flinders Street
Adelaide
South Australia 5000


PETER J HILL
Director
Registered Company Auditor

Date: 29th February 2024

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Directors' declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 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 Trust.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.303(5) of the Corporations Act 2001.

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



Andrew Luckhurst-Smith
Executive Chairman
Adelaide 29 February 2024

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**Statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2023**

		AAMF	
	Note	31 December 2023 \$	31 December 2022 \$
Income			
Interest income		-	-
Total income		-	-
Expenses			
Administration and compliance costs		248,436	317,140
Administration costs - management fee	5	28,452	42,676
Diminution in fair value of assets	3	17,717	3,048,824
Total expenses		294,605	3,408,640
Profit/(Loss) for the year		(294,605)	(3,408,640)
Attributable to:			
Equity holders		(294,605)	(3,408,640)
		(294,605)	(3,408,640)

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

**Statement of financial position
as at 31 December 2023**

		AAMF	
		31 December 2023	30 June 2023
		\$	\$
Assets	Note		
Cash and cash equivalents		471,928	644,291
Loans	4	2,508,992	2,791,783
Trade and other receivables		100,000	100,000
Other assets	5	56,901	85,353
Total assets		3,137,821	3,621,427
Liabilities			
Trade and other payables	6	44,031	233,032
Total liabilities		44,031	233,032
Net assets		3,093,790	3,388,395
Equity			
Unitholders' equity	7	18,779,795	18,779,795
Retained earnings/(losses)		(15,686,005)	(15,391,400)
Equity attributable to equity holders		3,093,790	3,388,395
Total equity		3,093,790	3,388,395

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

**Statement of changes in equity
for the half-year ended 31 December 2023**

AAMF

	Issued Capital \$	Accumulated Profit/(Losses) \$	Total \$
Balance at 1 July 2022	24,028,975	(10,507,385)	13,521,590
Profit/(loss) for the period	-	(3,408,640)	(3,408,640)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(3,408,640)	(3,408,640)
Redemption of units in AAMF	(4,498,247)	-	(4,498,247)
Balance at 31 December 2022	19,530,728	(13,916,025)	5,614,703
Balance at 1 July 2023	18,779,795	(15,391,400)	3,388,395
Profit/(loss) for the period	-	(294,605)	(294,605)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(294,605)	(294,605)
Redemption of units in AAMF	-	-	-
Balance at 31 December 2023	18,779,795	(15,686,005)	3,093,790

**Statement of cash flows
for the half-year ended 31 December 2023**

		<u>AAMF</u>	
		<u>December 2023</u>	<u>December 2022</u>
		\$	\$
	Note		
Cash flows from operating activities			
Payments to suppliers		(437,438)	(1,142,490)
Payments to statutory authorities		-	(10,260)
Net cash generated by/(used in) operating activities		(437,438)	(1,152,750)
Cash flows from investing activities			
Proceeds from collection of loans		265,075	2,156,713
Net cash generated by/(used in) investing activities		265,075	2,156,713
Cash flows from financing activities			
Redemption of units		-	(4,498,247)
Net cash generated by/(used in) financing activities		-	(4,498,247)
Net increase/(decrease) in cash and cash equivalents		(172,363)	(3,494,284)
Cash and cash equivalents at the beginning of the year		644,291	3,768,607
Cash and cash equivalents at the end of the year		471,928	274,323

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

Notes to the financial statements

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Fund's 2023 annual financial report for the financial year ended 30 June 2023. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

2. Critical accounting judgments and key sources of estimation uncertainty

In the application of the entity's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the fair value 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.

The following are the critical judgements, including those involving estimations that the Directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Scheme of Arrangement

A meeting of the Debenture Holders of Angas Securities Limited was held on 30 April 2019 which approved a Scheme of Arrangement ("SOA"). This was ratified by the Federal Court on 17 May 2019 with the implementation date of the Scheme of Arrangement effective 3 June 2019.

The impact of the Scheme was to:

1. Cancel the Debentures, terminate the Trust Deed and the Trustee's existing charge and have the Trustee cease acting as the debenture trustee of Angas;
2. Transfer the remaining assets ("Legacy Assets") currently available to repay Debenture Holders (other than Angas Financial Services and Angas' funds management businesses, being Angas Prime and Angas Direct) to a new closed trust called the Angas Asset Management Fund (AAMF);
3. Issue Debenture Holders with 100% of the units in the Angas Asset Management Fund; and
4. Provide Debenture Holders with 70% of the ordinary capital of Angas. The existing shareholders of Angas retained 30% of the capital of Angas.

The Scheme resulted in Angas reducing its debt to \$1M in respect of the restructured Redeemable preference shares (RPS), the Debenture Trustee retiring, and Angas to manage a third Managed Investment Scheme, the Angas Asset Management Fund.

Angas, as Responsible Entity of the Angas Asset Management Fund will sell the remaining Legacy Assets for the benefit of the unit holders of the Fund. Angas will not charge a management fee for completing this process. However, the Fund will be responsible for payment of direct costs associated with the Fund and realising the Legacy assets.

Immediately prior to the Scheme of Arrangement being implemented, the Legacy Assets of Angas were revalued to fair value and then transferred to AAMF. There were also several liabilities associated with the debenture business, which were also transferred to AAMF as part of the Scheme.

The resulting impact on the Scheme of Arrangement restructure to AAMF is summarised in the following table:

	\$
<u>Legacy Assets transferred from Angas to AAMF (on 3 June 2019)</u>	
- Loans and receivables	41,342,943
- Investments	1,232,003
- Other assets	250,124
- Cash at bank	1,108,565
- Service fee receivable (i) (refer note 5)	576,129
<u>Liabilities transferred from Angas to AAMF (on 3 June 2019)</u>	
- Trustco liability (ii)	(3,358,473)
- Other liabilities	(106,557)
Net Assets transferred from Angas to AAMF (on 3 June 2019)	41,044,734
	Nos.
Units were issued based on 1 unit for every \$1 debenture debt cancelled	94,411,975

- (i) In accordance with the SOA, Angas, as Responsible Entity of AAMF, will manage the sale of the Legacy Assets, but will not charge a management fee for completing the process. However, AAMF is required to recognise a servicing fee asset at fair value.
- (ii) The former Debenture Trustee of Angas ("Trustco") held a security interest over the assets in AAMF to secure an amount of \$3,358,472.96 as at the date of the commencement of the SOA.

Loans

As described under Scheme of Arrangement above, Legacy Assets were transferred from Angas to AAMF at fair value. Most of these Legacy Assets comprised loans and receivables. Holding costs (eg rates and taxes, legal fees etc) relating to the underlying security associated with the loans are capitalised, with the fair value recalculated at each reporting period.

In terms of fair-valuing loans, the Board meets on a quarterly basis and reviews all loans. To determine if there exists objective evidence of any movement in fair value, the Directors of Angas make significant estimates, judgments and assumptions in relation to the method, quantum and timing of cashflows in respect of the repayments and/or the orderly realisation of the securities supporting those facilities.

The Directors have applied their knowledge and experience in the areas of lending, property development and property management, and have sought advice from appropriately qualified professionals. They have also considered information received directly or indirectly from potential purchasers in relation to each property, particularly around uncertainties relating to planning and environmental considerations.

Fair value of loans

In terms of assessing fair value of loans, the Board meets on a quarterly basis and reviews all loans. If there is objective evidence of material change in the fair value, that change is reflected in the accounts.

3. Diminution in fair value of assets

Loss for the year has been arrived at after charging / (crediting):

	<u>AAMF</u>	
	31 December 2023	31 December 2022
	\$	\$
<u>Diminution in fair value of assets:</u>		
Fair value (gain)/loss on loans	17,717	3,048,824
	17,717	3,048,824

4. Loans

	<u>AAMF</u>	
	31 December 2023	30 June 2023
	\$	\$
Loans – at fair value	2,508,992	2,791,783
	2,508,992	2,791,783

5. Other assets

	<u>AAMF</u>	
	31 December 2023	30 June 2023
	\$	\$
Prepayments	85,353	170,705
Less: Amortisation of management fee*	(28,452)	(85,352)
	56,901	85,353

* In accordance with the Scheme of Arrangement, Angas, as Responsible Entity of AAMF, will manage the sale of the Legacy Assets, but will not charge a management fee for completing the process. However, AAMF is required to recognise a servicing fee asset representing the value of the notional management fee remaining.

6. Trade and other payables

	<u>AAMF</u>	
	31 December 2023	30 June 2023
	\$	\$
GST payable/(receivable)	27,943	215,775
Trade payables	-	-
Other payables and accrued expenses	16,088	17,257
	44,031	233,032

7. Issued units

	31 December 2023 Units	31 December 2023 \$	30 June 2023 Units	30 June 2023 \$
Opening balance	26,484,866	18,779,795	46,233,168	24,028,975
Unit redemptions (ii)	-	-	(19,748,302)	(5,249,180)
Closing balance	26,484,866	18,779,795	26,484,866	18,779,795

- (i) The Fund is a closed membership base, with units only issued to Angas debenture holders in accordance with the Scheme of Arrangement. The Responsible Entity can not issue any more units.
- (ii) No redemptions were made during the current period.

8. Related party disclosures

The Responsible Entity of AAMF is Angas Securities Limited (ACN 091 942 728).

8.1 Trading transactions

There were no transactions during the year or amounts receivable/payable at the end of the year between the AAMF and the Responsible Entity or other related parties.

8.2 Loans

There were no loans during the year or loans receivable/payable at the end of the year between the AAMF and the Responsible Entity or other related parties.

9. Contingent liabilities and contingent assets

As 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.

10. Subsequent events

There were no subsequent events to report.