

**ANGAS ASSET MANAGEMENT FUND**

**ARSN: 633 454 832**

**Annual report for the financial year ended 30 June 2023**

## Directors' report

The directors of Angas Securities Limited (ACN 091 942 728) ("Angas") the Responsible Entity, submit herewith the annual report of Angas Asset Management Fund ("AAMF" or "the Trust" or "the Fund") for the financial year ended 30 June 2023. 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.
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.

### Principal Activities

The Trust is a registered managed investment scheme domiciled in Australia. The principal activity of the Trust in the course of the financial 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 3 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 Comprehensive Income of these financial statements. The loss for the year ended 30 June 2023 was \$4,884,015 (2022: \$3,268,282 loss).

The loss includes a diminution in fair value of assets of \$4,198,450 (2022: \$2,501,458).

As disclosed in the Subsequent event note in the financial statements for the half year ending 31 December 2022, the Responsible Entity and CCH Stradbroke Pty Ltd ("Quinn") agreed to a Deed of Settlement ("Deed") dated 15 February 2023. The effect of the Deed was that Angas entered in to a Contract for Sale with Quinn or nominee for the property in Woolcoot Road, Wellard WA 6170 at a confidential price. Further, Quinn agreed to cease any and all legal actions against Angas or any entity controlled by Angas or entity for which Angas is the Responsible Entity. The Contract for Sale was executed during the period and the financial impact of this transaction has been reflected in these financial statements and resulted in net impairment of AAMF assets of \$3,135,400 and the same reduction in net equity.

### Distributions and unit redemptions

There were no distributions made during the financial year.

In respect of AAMF unit redemptions, there were three unit redemptions paid in July 2022, September 2022 and June 2023 totalling \$5,249,180 (2022: \$9,751,815).

### **Changes in the state of affairs**

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

### **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 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 financial 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 financial 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 are paid by the Trust to the Responsible Entity.

No fees were paid by the Trust to the directors of the Responsible Entity during the financial year ending 30 June 2023.

The Responsible Entity or its associates did not hold any interests in the Trust during the financial year ending 30 June 2023.

### **Interests in the Trust**

The movement in units on issue in the Trust during the year is disclosed in Note 9 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 3 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.298(2) of the Corporations Act 2001.

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

A handwritten signature in black ink, appearing to read 'AL Smith', with a small dot at the end.

Andrew Luckhurst-Smith  
Executive Chairman  
Adelaide, 29 September 2023

## Angas Asset Management Fund

ARSN 633 464 832

### Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Angas Securities Limited as Responsible Entity of Angas Asset Management Fund

Address  
8/81 Flinders St  
Adelaide SA 5000  
Telephone  
(08) 8273 9300  
Facsimile  
(08) 8274 1466  
info@perks.com.au  
perks.com.au

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, 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

8/81 Flinders Street

Adelaide

South Australia 5000

  
PETER J HILL

Director

Registered Company Auditor

Dated this <sup>29<sup>th</sup></sup> day of September 2023

**Chartered Accountants**  
Perks & Associates Pty Ltd

ACN 002 050 876 / ABN 50 587 041 854  
Liability limited by a scheme approved  
under Professional Standards Legislation

**Audit**  
Perks Audit Pty Ltd

ACN 109 607 100 / ABN 20 174 474 061  
Liability limited by a scheme approved  
under Professional Standards Legislation

**Private Wealth**  
Perks Private Wealth Pty Ltd

ACN 055 442 050 / ABN 55 050 041 050  
Australian Financial Services  
Licence No. 239 651

**Finance**  
Perks Finance Pty Ltd

ACN 001 905 837 / ABN 51 503 100 810  
Australian Credit Licence No. 376 241

**Independent Audit Report to the members of Angas Asset Management Fund**

**Report on the Financial Report**

**Opinion**

We have audited the financial report of Angas Asset Management Fund (the Trust) which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Trust's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the responsible entity of the Trust, would be in the same terms if given to the directors of the responsible entity as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Address  
8/81 Flinders St  
Adelaide SA 5000  
Telephone  
(08) 8273 9300  
Facsimile  
(08) 8274 1466  
info@perks.com.au  
perks.com.au

Chartered Accountants  
Perks & Associates Pty Ltd  
ACN 065 083 570 / ABN 50 607 070 604  
Liability limited by a scheme approved  
under Professional Standards Legislation.

Audit  
Perks Audit Pty Ltd  
ACN 100 803 901 / ABN 70 172 474 661  
Liability limited by a scheme approved  
under Professional Standards Legislation.

Private Wealth  
Perks Private Wealth Pty Ltd  
ACN 061 621 050 / ABN 64 056 541 058  
Australian Financial Services  
Licence No. 230 751

Finance  
Perks Finance Pty Ltd  
ACN 011 013 547 / ABN 70 633 170 544  
Australian Credit Licence No. 378241

**Independent Audit Report to the members of Angas Asset Management Fund**

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors of the responsible entity are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' Report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors of the Responsible Entity for the Financial Report**

The directors of the responsible entity are responsible for the preparation of the 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 of the responsible entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the responsible entity are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the responsible entity either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Address  
8/81 Flinders St  
Adelaide SA 5000  
Telephone  
(08) 8273 9300  
Facsimile  
(08) 8274 1466  
info@perks.com.au  
perks.com.au

**Chartered Accountants**  
Perks & Associates Pty Ltd  
ACN 039 050 573 / ABN 51 007 079 554  
Liability limited by a scheme approved  
under Professional Standards Legislation.

**Audit**  
Perks Audit Pty Ltd  
ACN 001 910 100 / ABN 51 173 476 651  
Liability limited by a scheme approved  
under Professional Standards Legislation.

**Private Wealth**  
Perks Private Wealth Pty Ltd  
ACN 056 541 004 / ABN 51 026 041 000  
Australian Financial Services  
Licence No. 295 551

**Finance**  
Perks Finance Pty Ltd  
ACN 001 007 007 / ABN 51 051 159 050  
Australian Credit Licence No. 378241

**Independent Audit Report to the members of Angas Asset Management Fund**

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the responsible entity.
- Conclude on the appropriateness of the directors of the responsible entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Address  
8/81 Flinders St  
Adelaide SA 5000  
Telephone  
(08) 8273 9300  
Facsimile  
(08) 8274 1466  
info@perks.com.au  
perks.com.au

Chartered Accountants  
Perks & Associates Pty Ltd  
ACN 002 003 071 / ABN 60 007 070 551  
Liability limited by a scheme approved  
under Professional Standards Legislation.

Audit  
Perks Audit Pty Ltd  
ACN 610 600 040 / ABN 60 070 474 070  
Liability limited by a scheme approved  
under Professional Standards Legislation.

Private Wealth  
Perks Private Wealth Pty Ltd  
ACN 696 643 600 / ABN 60 095 410 053  
Australian Financial Services  
Licence No. 236 531

Finance  
Perks Finance Pty Ltd  
ACN 101 910 587 / ABN 10 575 199 600  
Australian Credit Licence No. 978241



## Angas Asset Management Fund



### Independent Audit Report to the members of Angas Asset Management Fund

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the responsible entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the responsible entity with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Address  
8/81 Flinders St  
Adelaide SA 5000  
Telephone  
(08) 8273 9300  
Facsimile  
(08) 8274 1466  
info@perks.com.au  
perks.com.au

*Perks Audit*  
PERKS AUDIT PTY LTD

8/81 Flinders Street

Adelaide

South Australia 5000

*P Hill*  
PETER J HILL

Director

Registered Company Auditor

Dated this <sup>27<sup>th</sup></sup> day of September 2023

**Chartered Accountants**  
Perks & Associates Pty Ltd  
ACN 005 001 571 / ABN 51 007 078 854  
Liability limited by a scheme approved  
under Professional Standards Legislation.

**Audit**  
Perks Audit Pty Ltd  
ACN 005 001 571 / ABN 51 007 078 854  
Liability limited by a scheme approved  
under Professional Standards Legislation.

**Private Wealth**  
Perks Private Wealth Pty Ltd  
ACN 035 471 009 / ABN 25 046 943 955  
Authorised Financial Services  
Licence No. 235 551

**Finance**  
Perks Finance Pty Ltd  
ACN 001 019 507 / ABN 75 000 199 080  
Australian Credit Licence No. 374241

## 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 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 Trust.

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 29 September 2023

## Index to the financial report

<b>Contents</b>	<b>Page</b>
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	
1. General information	15
2. Application of new and revised Accounting Standards	15
3. Significant accounting policies	16
4. Critical accounting judgments and key sources of estimation uncertainty	20
5. Diminution in fair value of assets	21
6. Loans	21
7. Other assets	21
8. Trade and other payables	21
9. Unitholders' equity	22
10. Related party disclosures	22
11. Financial instruments	23
12. Cash and cash equivalents	24
13. Contingent liabilities and contingent assets	25
14. Remuneration of auditors	25
15. Subsequent events	25

**Statement of comprehensive income  
for the financial year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Income</b>			
Interest income		-	26,932
<b>Total income</b>		<b>-</b>	<b>26,932</b>
<b>Expenses</b>			
Administration and compliance costs		600,213	708,404
Administration costs - management fee	7	85,352	85,352
Diminution in fair value of assets	5	4,198,450	2,501,458
<b>Total expenses</b>		<b>4,884,015</b>	<b>3,295,214</b>
<b>Profit/(Loss) for the year</b>		<b>(4,884,015)</b>	<b>(3,268,282)</b>
<b>Attributable to:</b>			
Equity holders		(4,884,015)	(3,268,282)
		<b>(4,884,015)</b>	<b>(3,268,282)</b>

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

**Statement of financial position  
as at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
Cash and cash equivalents	12	644,291	3,768,607
Loans	6	2,791,783	10,568,950
Trade and other receivables		100,000	-
Other assets	7	85,353	170,705
<b>Total assets</b>		<b>3,621,427</b>	<b>14,508,262</b>
<b>Liabilities</b>			
Trade and other payables	8	233,032	986,672
<b>Total liabilities</b>		<b>233,032</b>	<b>986,672</b>
<b>Net assets</b>		<b>3,388,395</b>	<b>13,521,590</b>
<b>Equity</b>			
Unitholders' equity	9	18,779,795	24,028,975
Retained earnings/(losses)		(15,391,400)	(10,507,385)
Equity attributable to equity holders		3,388,395	13,521,590
<b>Total equity</b>		<b>3,388,395</b>	<b>13,521,590</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 2023**

**AAMF**

	<b>Issued Capital</b>	<b>Accumulated</b>	<b>Total</b>
	<b>\$</b>	<b>Profit/(Losses)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2021</b>	33,780,790	(7,239,103)	26,541,687
Profit/(loss) for the period	-	(3,268,282)	(3,268,282)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(3,268,282)	(3,268,282)
Redemption of units in trust (Note 9)	(9,751,815)	-	(9,751,815)
<b>Balance at 30 June 2022</b>	24,028,975	(10,507,385)	13,521,590
Profit/(loss) for the period	-	(4,884,015)	(4,884,015)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(4,884,015)	(4,884,015)
Redemption of units in trust (Note 9)	(5,249,180)	-	(5,249,180)
<b>Balance at 30 June 2023</b>	18,779,795	(15,391,400)	3,388,395

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

**Statement of cash flows  
for the financial year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers		(1,243,471)	(1,522,051)
Payments to statutory authorities (rates & taxes)		(22,406)	(58,996)
Interest received		-	26,932
<b>Net cash generated by/(used in) operating activities</b>	12(a)	<b>(1,265,877)</b>	<b>(1,554,115)</b>
<b>Cash flows from investing activities</b>			
Proceeds from collection of loans		3,390,741	10,371,968
Proceeds from units in trust		-	12,082
<b>Net cash generated by/(used in) investing activities</b>		<b>3,390,741</b>	<b>10,384,050</b>
<b>Cash flows from financing activities</b>			
Redemption of units		(5,249,180)	(9,751,815)
<b>Net cash generated by/(used in) financing activities</b>		<b>(5,249,180)</b>	<b>(9,751,815)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,124,316)</b>	<b>(921,880)</b>
Cash and cash equivalents at the beginning of the financial year		3,768,607	4,690,487
<b>Cash and cash equivalents at the end of the financial year</b>	12	<b>644,291</b>	<b>3,768,607</b>

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

## 1. General information

Angas Asset Management Fund ('the Trust') is a registered managed investment scheme domiciled in Australia. The Responsible Entity of the Trust is Angas Securities Limited ('the Responsible Entity').

The address of its registered office and its principal place of business are as follows:

Registered office	Principal place of business
Level 14, 26 Flinders Street	Level 14, 26 Flinders Street
Adelaide SA 5000	Adelaide SA 5000
Tel: (08) 8410 4343	Tel: (08) 8410 4343

The principal activity of the Trust is to realise Legacy Assets (originally transferred from Angas Securities Limited) in accordance with the Scheme of Arrangement and return capital to unitholders (this is discussed in more detail under Note 3 Scheme of Arrangement).

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

## 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 financial year, the Trust has applied the relevant 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 2022, and therefore relevant for the current financial year.

<p>AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</p>	<p>This makes amendments to the following Standards:</p> <p>Annual improvements:</p> <ul style="list-style-type: none"> <li>– AASB 1 First-time Adoption of International Financial Reporting Standards to permit a subsidiary that applies paragraph D16(a) of AASB 1 to measure cumulative translation differences</li> <li>– AASB 9 Financial Instruments to clarify the fees included in the '10 per cent' test in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included</li> <li>– AASB 16 Leases to amend Illustrative Example 13 to remove the illustration of the reimbursement of leasehold improvements</li> </ul> <ul style="list-style-type: none"> <li>• AASB 3 Business Combinations to: <ul style="list-style-type: none"> <li>– Refer to the Conceptual Framework for Financial Reporting instead of previous versions of the Framework</li> <li>– Add a requirement that, for transactions and other events within the scope of AASB 137 Provisions, Contingent Liabilities and Contingent Assets or Interpretation 21 Levies, an acquirer applies those pronouncements (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination</li> <li>– Add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination</li> </ul> </li> <li>• AASB 116 Property, Plant and Equipment to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items,</li> </ul>
---	---



	<p>and the cost of producing those items, is recognised in profit or loss</p> <ul style="list-style-type: none"> <li>• AASB 137 Provisions, Contingent Liabilities and Contingent Assets to specify that the 'cost of fulfilling' an onerous contract comprises the 'costs that relate directly to the contract'</li> </ul>
--	---

The application of these amendments do not have any material impact on the disclosures or the amounts recognised in the 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 Trust 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 17 Insurance Contracts – establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.	1 January 2023	30 June 2024
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current. This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The meaning of settlement of a liability is also clarified.	1 January 2024	30 June 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates Amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates	1 January 2023	30 June 2024

The impact of these standards on the Trust has not yet been assessed. The assessment will commence in subsequent financial years.

## 3. Significant accounting policies

### Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors of the Responsible Entity on 29 September 2023.

### Basis of preparation

The Trust does not have any subsidiaries at 30 June 2023 and did not have any subsidiaries during the financial year. Accordingly, these financial statements have been prepared as individual financial statements. In the prior year, the Trust disposed of its subsidiaries and prepared consolidated financial statements which included those subsidiaries until the Trust lost control of those entities. The comparative information in these financial statements represents the separate financial statements of the Trust and does not reflect consolidated financial information.

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.

The principal accounting policies are set out below.

**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 unitholders 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 Mortgage debenture business, which were transferred to AAMF as part of the Scheme too. The Directors determined the fair value for each Legacy Asset by adopting the mid-point values stated in the Independent Expert Report which formed part of the Scheme Booklet.

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</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 8)	576,129
<u>Liabilities transferred from Angas to AAMF</u>	
- Trustco liability (ii)	(3,358,473)
- Other liabilities	(106,557)
<b>Net Assets transferred from Angas to AAMF</b>	<b>41,044,734</b>

	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.

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

**(a) Revenue**

***Interest income***

Interest revenue from a financial asset is recognised when it is probable that the economic benefits will flow to the consolidated entity and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**(b) Expenses**

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

**(c) Income tax**

Under current income tax legislation, the Trust is not liable to pay income tax as the net income of the Trust is assessable in the hands of the beneficiaries (the unitholders) who are 'presently entitled' to the income of the Trust. There is no income of the Trust to which the unitholders are not 'presently entitled' and additionally, the Trust's Constitution requires the distribution of the full amount of the net income of the Trust to the unitholders each period. As a result, deferred taxes have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that taxable gains are realised by the Trust, these gains would be included in the taxable income that is assessable in the hands of the unitholders as noted above.

Realised capital losses are not distributed to unitholders but are retained within the Trust to be offset against any realised capital gains. The benefit of any carried forward capital losses are also not recognised in the financial statements. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income that is assessable in the hands of unitholders in that period and is distributed to unitholders in accordance with the requirements of the Trust's Constitution.

**(d) Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, has been valued initially at fair value resulting from the transfer of those assets from Angas in accordance with the Scheme of Arrangement. Gains or losses arising from subsequent changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

**(e) 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.

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.

**(f) 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.

**(g) 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'.

As described under Scheme of Arrangement in note 3, 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 and receivables are capitalised, with the fair value recalculated at each reporting period.

**(h) Financial liabilities and equity instruments issued by the Trust**

*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.

In accordance with AASB 132 unitholders' funds are classified as equity and disclosed as such in the statement of financial position, being referred to as "Unitholders' equity". The Trust has a single class of units on issue that are subordinate to all other classes of instruments, they have identical features and unitholders are entitled to a pro-rata share of the profit earned by the Trust and a pro-rata share of the net assets on termination of the Trust.

*Financial liabilities*

Financial liabilities are classified as '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.

**(i) Distributions and Redemptions**

In accordance with the Trust's Constitution, Angas may determine that a distribution of profits, income and/or redemption of capital be made to unitholders on a pro rata basis according to the number of units held.

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

In the application of the Trust's accounting policies, which are described in note 3, 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 Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

##### Loans

As described under Scheme of Arrangement in note 3, 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 refinancing of loan facilities 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.

## 5. Diminution in fair value of assets

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

	2023 \$	2022 \$
<u>Diminution in fair value of assets:</u>		
Fair value (gain)/loss on loans	4,198,450	2,507,597
Fair value (gain)/loss on investment in subsidiaries	-	(6,139)
	<b>4,198,450</b>	<b>2,501,458</b>

## 6. Loans

	2023 \$	2022 \$
Loans – at fair value	2,791,783	10,568,950
	<b>2,791,783</b>	<b>10,568,950</b>

## 7. Other assets

	2023 \$	2022 \$
Prepayments	170,705	256,057
Less: Amortisation of management fee	(85,352)	(85,352)
	<b>85,353</b>	<b>170,705</b>

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, in accordance with Accounting Standards, AAMF is required to recognise a servicing fee asset representing the value of the notional management fee remaining.

## 8. Trade and other payables

	2023 \$	2022 \$
Trade payables	-	2,107
GST payable	215,775	606,245
Other payables and accrued expenses	17,257	378,320
	<b>233,032</b>	<b>986,672</b>

**9. Unitholders' equity**

	<u>AAMF</u>		<u>AAMF</u>	
	2023 Units	2023 \$	2022 Units	2022 \$
Opening balance	46,233,168	24,028,975	75,788,065	33,780,790
Unit redemptions (ii)	(19,748,302)	(5,249,180)	(29,554,897)	(9,751,815)
Closing balance	<b>26,484,866</b>	<b>18,779,795</b>	<b>46,233,168</b>	<b>24,028,975</b>

- (i) The Fund has a closed membership base, with units only issued to former Angas debenture holders in accordance with the Scheme of Arrangement. The Responsible Entity can not issue any more units.
- (ii) Three unit redemptions were made during the financial year. A unit redemption \$0.0573 per unit was made in July 2022, a unit redemption of \$0.0498 per unit was made in September 2022 and a unit redemption of \$0.0244 per unit was made in June 2023.

**10. Related party disclosures**

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

**10.1 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.

**10.2 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.

**11. Financial instruments**

The Fund's assets principally consist of financial instruments which comprise mortgages.

No new lending will be carried out by the Fund and the Responsible Entity has absolute and uncontrolled discretion as to the realisation of the Legacy Assets (including mortgages) and as to the sale, transfer, exchange, development, reconstruction, exchange, variation, modification or alteration of any of the investments until none remain. This is in accordance with the Fund's Constitution and Compliance Plan.

**(a) Capital risk management**

The Fund has a closed membership base, with units only issued to previous Angas debenture holders in accordance with the Scheme of Arrangement. The Responsible Entity must not issue any more units under any circumstance. Further, unitholders have no rights to request withdrawal from the Fund or have their units redeemed.

**(b) Categories of financial instruments**

	<b>AAMF</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	644,291	3,768,607
Loans and receivables	2,891,783	10,568,950
<b>Financial liabilities</b>		
Bank loans	-	-

**(c) Financial risk management objectives**

The Fund's activities expose it to some financial risks, market risk, credit risk and liquidity risk, though given the Fund will not carry out any new lending or make other investments, and that it will only realise Legacy Assets, this risk is minimal. The Fund's overall risk management program, including the Fund's Compliance Plan, seeks to minimise potential adverse effects on the financial performance of the Fund.

**(d) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk).

While there is a risk that climate change will have an adverse impact on the value and timing of the Legacy Asset sales, the Directors believe it will have no material impact in the foreseeable future.

**(e) Foreign currency risk management**

The Fund does not have any direct foreign currency exposure.

**(f) Interest rate risk management**

The Fund has minimal interest-bearing financial assets given the Fund only realises Legacy Assets and the consolidated entity has no interest-bearing liability.

The Fund's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.



**(g) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. Given the Fund holds all property secured against the loans as mortgagee in possession, the Fund's exposure to credit risk is minimal.

**(h) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors of Angas, who have built an appropriate liquidity risk management framework. The Fund manages liquidity risk by maintaining a minimum cash reserve in accordance with Fund's Constitution and Compliance Plan. The Fund continuously monitors forecast and actual cashflows on a monthly basis.

**12. 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:

	2023	2022
	\$	\$
Cash at bank	644,291	3,768,607
	<b>644,291</b>	<b>3,768,607</b>

**(a) Reconciliation of profit/(loss) for the period to net cash flows from operating activities**

	2023	2022
	\$	\$
Net profit/(loss)	(4,884,015)	(3,268,282)
Diminution in fair value of loans	4,198,450	2,507,597
Increase in fair value of investment in subsidiaries	-	(6,139)
Changes in net assets:		
(Increase)/ decrease in trade and other receivables	(100,000)	-
(Increase)/ decrease in other financial assets	85,352	85,352
Increase/(decrease) in creditors	(383,484)	78,459
(Increase)/decrease in loan costs capitalised	(182,180)	(951,102)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(1,265,877)</b>	<b>(1,554,115)</b>

**13. Contingent liabilities and contingent assets**

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

**14. Remuneration of auditors**

	<u>AAME</u>	
	<u>2023</u>	<u>2022</u>
	\$	\$
<b>Auditor of the Fund</b>		
<u>Perks Audit</u>		
Audit of the financial report	18,800	15,000
Audit or review of previous financial reports	-	7,000
Other	4,740	2,570
	<u>23,540</u>	<u>24,570</u>

**15. Subsequent events**

There were no subsequent events to report.