

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

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 Direct (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 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 2023 was Nil (2022: \$Nil).

The Fund provides for mortgage investments secured by a variety of real estate classes 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 in each. Total mortgage investments as at 30 June 2023 stand at \$64,788,586 (2022: \$43,439,517).

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.

Subsequent events

Subsequent to financial year end, the Angas Direct PDS was revised and reissued on 28 August 2023. There has not been any other 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 Company Secretary of the Responsible Entity and all executive officers of the Responsible Entity 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 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 loan facilitation 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 2023.

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, 29 September 2023

Angas Direct Mortgage Fund

ARSN 151 979 645

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Angas Securities Limited as Responsible Entity of Angas Direct Mortgage 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 29th day of September 2023

Chartered Accountants
Perks & Associates Pty Ltd

ACN 006 030 879 / ABN 50 507 070 054
Liability limited by a scheme approved
under Professional Standards Legislation.

Audit
Perks Audit Pty Ltd

ACN 100 002 107 / ABN 20 173 444 661
Liability limited by a scheme approved
under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd

ACN 004 639 058 / ABN 50 086 840 055
Australian Financial Services
Licence No. 236 551

Finance
Perks Finance Pty Ltd

ACN 101 910 037 / ABN 75 033 098 600
Australian Credit Licence No. 378241

Independent Audit Report to the Members of Angas Direct Mortgage Fund

Report on the Financial Report

Opinion

We have audited the financial report of Angas Direct Mortgage Fund (the Fund) which comprises the statements 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 Fund is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Fund at 30 June 2023 and of their 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 Fund 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 Fund, 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.

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perks.com.au

Chartered Accountants
Perks & Associates Pty Ltd
ACN 005 053 575 / AEN 50 507 079 554
Liability limited by a scheme approved
under Professional Standards Legislation.

Audit
Perks Audit Pty Ltd
ACN 109 802 100 / ABN 20 173 474 851
Liability limited by a scheme approved
under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd
ACN 006 643 054 / ABN 55 036 643 058
Australian Financial Services
Licence No. 236 551

Finance
Perks Finance Pty Ltd
ACN 101 919 637 / ABN 70 033 109 690
Australian Credit Licence No. 378241

Independent Audit Report to the Members of Angas Direct Mortgage 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 Fund'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 Fund to cease operations, or have no realistic alternative but to do so.

Address
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Perks & Associates Pty Ltd

ACN 088 030 570 / ABN 50 507 070 554
Liability limited by a scheme approved
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Audit
Perks Audit Pty Ltd

ACN 100 562 100 / ABN 20 030 470 001
Liability limited by a scheme approved
under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd

ACN 095 640 098 / ABN 33 026 043 050
Australian Financial Services
Licence No. 235 651

Finance
Perks Finance Pty Ltd

ACN 101 010 537 / ABN 30 003 190 000
Australian Credit Licence No. 378241

Independent Audit Report to the Members of Angas Direct Mortgage 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 Fund'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 Fund'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 Fund 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

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perks.com.au

Chartered Accountants
Perks & Associates Pty Ltd
ACN 098 093 576 / ABN 50 507 079 334
Liability limited by a scheme approved
under Professional Standards Legislation.

Audit
Perks Audit Pty Ltd
ACN 106 507 100 / ABN 20 073 475 001
Liability limited by a scheme approved
under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd
ACN 036 540 058 / ABN 25 000 643 053
Australian Financial Services
Licence No. 236 551

Finance
Perks Finance Pty Ltd
ACN 101 919 557 / ABN 76 503 199 800
Australian Credit Licence No. 570241

Independent Audit Report to the Members of Angas Direct Mortgage Fund

manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information 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.

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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 ^{29th} day of September 2023

Chartered Accountants
Perks & Associates Pty Ltd

ACN 006 050 576 / ABN 50 007 028 554
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Perks Audit Pty Ltd

ACN 100 802 160 / ABN 50 008 474 561
Liability limited by a scheme approved
under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd

ACN 036 640 058 / ABN 24 066 643 056
Australian Financial Services
Licence No. 236 551

Finance
Perks Finance Pty Ltd

ACN 101 010 007 / ABN 75 035 199 680
Australian Credit Licence No. 373241

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, 29 September 2023

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

Note	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
Income		
Interest	-	-
Other Income	-	-
Total income	-	-
Expenses		
Lending Expenses	-	-
Other expenses	-	-
Total expenses	-	-
Profit	-	-
Other Expenses		
Transfers to Responsible Entity	-	-
Net profit	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-

A deed of variation was issued on 25 June 2014 to amend the original constitution. The change to the constitution provided clarity around the Fund's 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 2023**

	Note	30 June 2023 \$	30 June 2022 \$
Assets			
Cash and cash equivalents	5	1,817,600	2,476,989
Total assets		1,817,600	2,476,989
Liabilities			
Trade and other payables	6	1,817,275	2,476,625
Intercompany – Responsible Entity	7	325	364
Total liabilities		1,817,600	2,476,989
Net assets		-	-
Equity			
Retained Earnings		-	-
Total equity		-	-

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**

Note	30 June 2023	30 June 2022
	\$	\$
Total equity at 1 July 2021	-	-
Net Profit for the year	-	-
Net income and expenses recognised directly in equity	-	-
Total recognised income and expense for the year	-	-
Total equity at 1 July 2022	-	-
Net Profit for the year	-	-
Net income and expenses recognised directly in equity	-	-
Total recognised income and expense for the year	-	-
Total equity at 30 June 2023	-	-

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	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Cash flows from operating activities			
Payments to suppliers		(120,982)	121,077
Net cash generated by / (used in) operating activities	5	<u>(120,982)</u>	<u>121,077</u>
Cash flows from investing activities			
Proceeds from borrowers		40,538,801	37,037,798
Payments to borrowers		(61,887,870)	(41,573,052)
Interest in advance received/(paid)		152,664	133,853
Net cash generated by / (used in) investing activities		<u>(21,196,405)</u>	<u>(4,401,401)</u>
Cash flows from financing activities			
Receipts from investors		90,452,233	66,643,262
Repayments to investors		(69,794,235)	(61,705,048)
Net cash generated by / (used in) financing activities		<u>20,657,998</u>	<u>4,938,214</u>
Net increase/(decrease) in cash and cash equivalents		<u>(659,389)</u>	<u>657,890</u>
Cash and cash equivalents at the beginning of the financial year		2,476,989	1,819,099
Cash and cash equivalents at the end of the financial year	5	<u>1,817,600</u>	<u>2,476,989</u>

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 ("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 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 year end.

<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"> – 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 – 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 – AASB 16 Leases to amend Illustrative Example 13 to remove the illustration of the reimbursement of leasehold improvements <ul style="list-style-type: none"> • AASB 3 Business Combinations to: <ul style="list-style-type: none"> – Refer to the Conceptual Framework for Financial Reporting instead of previous versions of the Framework – 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 – Add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination • 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, and the cost of producing those items, is recognised in profit or loss • 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'
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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 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 Fund has not yet been assessed. The assessment will commence in the 2024 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 29 September 2023.

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 judgements 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

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

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 judgements and key sources of estimation uncertainty

Critical judgements 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 2023	30 June 2022
	\$	\$
Cash at bank (Operating account)	325	364
Cash at bank (Investor Trust)	967,688	1,779,703
Cash at bank (Interest Trust)	849,587	696,922
	1,817,600	2,476,989

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

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
Profit for the year	-	-
Finance costs	-	-
Net profit for the year	-	-
Changes in net assets:		
Increase/ (decrease) in income receivable	-	-
Increase / (decrease) in creditors and accruals	(120,982)	121,077
Net cash inflow/(outflow) from operating activities	(120,982)	121,077

6. Trade and other payables

	30 June 2023	30 June 2022
	\$	\$
Interest payable to investors	849,587	696,922
Other payables	967,688	1,779,703
	1,817,275	2,476,625

7. Intercompany Account – Responsible entity

	30 June 2023	30 June 2022
	\$	\$
Intercompany Account payable	325	364
	325	364

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 2023	30 June 2022
	\$	\$
<u>Assets</u>		
Interest bearing assets - Angas Securities Limited (Angas Prime)	25,321,566	13,506,517
Interest bearing assets - Non related parties	39,467,020	29,933,000
Total Assets	64,788,586	43,439,517
<u>Liabilities</u>		
Interest bearing liabilities - Angas Securities Limited (Angas Prime)	25,321,566	13,506,517
Interest bearing liabilities - Non related parties	39,467,020	29,933,000
Total Liabilities	64,788,586	43,439,517
Net Assets	-	-

9. Commitments

The Fund has no commitments as at balance date (2022: \$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

Refer to Subsequent events note in Directors' Report.