

**ANGAS PRIME INCOME FUND (“ANGAS PRIME”)  
ARSN: 091 887 400**

**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 Prime (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 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.

The Constitution authorises investments in a wide range of domestic securities, including equities, equity derivatives, money market securities, fixed interest securities, managed investment schemes, currencies, options and futures contracts. However, the sole investments made during the year comprised cash and commercial property loans secured by registered first mortgage (including loans in Angas Direct Mortgage Fund).

The Trust 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 profit attributable to unitholders for the year ended 30 June 2023 was \$1,713,204 (2022: \$1,370,162).

Angas Prime Investor funds as at 30 June 2023 was \$31,661,000 (2022: \$28,671,000).

The Angas Prime PDS provides a product whereby investor funds are pooled and lent out on loans secured by registered first mortgages. The mortgages are comprised of primarily residential and development land with broad geographic diversification across Australia. Return to investors is at a target rate which is reviewed regularly in line with market.

### Distributions

For full details of distributions paid and payable during the year, refer to Note 9 of the financial statements.

### 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

Subsequent to financial year end, the Angas Prime PDS was revised and reissued on 28 August 2023. Additionally, Angas Prime Gold has been introduced effective 1 July 2023 to replace the Angas Premium Rate. Angas Prime Gold is made up of 3 tiers. The first tier being Prime Gold 50 which is 0.5% above the prevailing target rate for those investors over \$500,000 up to \$999,000, Gold 100 pays 1.0% above the prevailing target rate for investors over \$1,000,000 up to \$1,499,000 and Gold 150 pays 1.5% above the prevailing target rate for investors of \$1,500,000 or more.

### **Future developments**

The Board's objective over the next 12 months is to grow the investor book under the PDS in order to invest funds as outlined in the Constitution.

### **Options granted**

No options were:

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

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

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

### **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**

The Responsible Entity is entitled to lending income charged to borrowers including loan facilitation fees, loan extension fees and early repayment fees. Further, the Responsible Entity is paid management fees and performance fees in accordance with the PDS. The management fee is calculated as a percentage of the loan portfolio on a daily basis and paid to the Responsible Entity at the end of each month. A performance fee is payable from the income of the Fund at the end of each month after distributions to investors of target rate and subject to the maintenance of a pre-determined level of the Dedicated Reserve Account.

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 10 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



Andrew Luckhurst-Smith  
Executive Chairman  
Adelaide, 29 September 2023

## Angas Prime Income Fund

ARSN 091 887 400

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

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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 009 093 576 / ABRN 50 507 039 554  
Liability limited by a scheme approved  
under Professional Standards Legislation

Audit  
Perks Audit Pty Ltd

ACN 109 802 100 / ABRN 20 173 174 061  
Liability limited by a scheme approved  
under Professional Standards Legislation

Private Wealth  
Perks Private Wealth Pty Ltd

ACN 093 643 038 / ABRN 30 055 643 058  
Australian Financial Services  
Licence No. 236 551

Finance  
Perks Finance Pty Ltd

ACN 101 918 097 / ABRN 70 533 190 060  
Australian Credit Licence No. 378241

Independent Audit Report to the Unitholders of Angas Prime

Report on the Financial Report

Opinion

We have audited the financial report of Angas Prime Income Fund (the Trust) which comprises the statements of financial position as at 30 June 2023, the statements of comprehensive income, the statements of changes in equity and the statements 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 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.

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Finance  
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ACN 101 019 937 / ABN 76 033 199 660  
Australian Credit Licence No. 373241

## Angas Prime Income Fund

### Independent Audit Report to the Unitholders of Angas Prime

#### 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 to cease operations, or have no realistic alternative but to do so.

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Independent Audit Report to the Unitholders of Angas Prime

**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

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Australian Credit Licence No. 375241



Independent Audit Report to the Unitholders of Angas Prime

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 Audit*  
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*P Hill*  
PETER J HILL

Director

Registered Company Auditor

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

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Australian Credit Licence No. 370291

## 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

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

	<b>Note</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Income</b>			
Interest income		2,523,633	1,740,762
Other income		300	-
<b>Total income</b>		<b>2,523,933</b>	<b>1,740,762</b>
<b>Expenses</b>			
Responsible Entity fees	11	706,254	349,598
Auditor's remuneration	12	22,325	14,800
Doubtful debt expense		75,700	-
Other expenses		6,450	6,202
<b>Total expenses</b>		<b>810,729</b>	<b>370,600</b>
<b>Profit attributable to unitholders</b>		<b>1,713,204</b>	<b>1,370,162</b>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	9	1,713,204	1,370,162
<b>Net profit</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>

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 \$
<b>Assets</b>			
Cash and cash equivalents	13	2,232,644	6,281,061
Trade and other receivables	5	139,987	52,954
Other financial assets	6	29,512,992	22,673,692
<b>Total assets</b>		<b>31,885,623</b>	<b>29,007,707</b>
<b>Liabilities</b>			
Trade and other payables	7	65,014	80,921
Other financial liabilities	8	2,750	138,446
Distributions payable	9	156,859	117,340
<b>Total liabilities</b>		<b>224,623</b>	<b>336,707</b>
<b>Net assets</b>		<b>31,661,000</b>	<b>28,671,000</b>
<b>Unitholders' equity</b>			
Units issued	10	31,661,000	28,671,000
<b>Total unitholders' equity</b>		<b>31,661,000</b>	<b>28,671,000</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**

		Equity attributable to unitholders	
	Notes	Units on issue Number	Units on issue \$
<b>Balance at 1 July 2021</b>		<b>26,491,000</b>	<b>26,491,000</b>
Issue of redeemable units		5,249,000	5,249,000
Redemption of redeemable units		(3,069,000)	(3,069,000)
		28,671,000	28,671,000
Changes in net assets attributable to unitholders		-	-
<b>Balance at 30 June 2022</b>		<b>28,671,000</b>	<b>28,671,000</b>
Issue of redeemable units		5,487,000	5,487,000
Redemption of redeemable units		(2,497,000)	(2,497,000)
		31,661,000	31,661,000
Changes in net assets attributable to unitholders		-	-
<b>Balance at 30 June 2023</b>	10	<b>31,661,000</b>	<b>31,661,000</b>

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 \$
<b>Cash flows from operating activities</b>			
Interest received		2,436,600	1,808,962
Non-interest income received		300	-
Payments to suppliers		(826,637)	(365,091)
<b>Net cash generated by operating activities</b>	13	<b>1,610,263</b>	<b>1,443,871</b>
<b>Cash flows from investing activities</b>			
Proceeds from borrowers		55,819,635	26,873,450
Payments to borrowers		(62,794,630)	(31,042,464)
<b>Net cash generated by / (used in) investing activities</b>		<b>(6,974,995)</b>	<b>(4,169,014)</b>
<b>Cash flows from financing activities</b>			
Proceeds from unitholders	10	5,487,000	5,249,000
Payment for the redemption of units to unitholders	10	(2,497,000)	(3,069,000)
Distributions paid to unitholders		(1,673,685)	(1,361,506)
<b>Net cash generated by / (used in) financing activities</b>		<b>1,316,315</b>	<b>818,494</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(4,048,417)</b>	<b>(1,906,649)</b>
Cash and cash equivalents at the beginning of the financial year		6,281,061	8,187,710
<b>Cash and cash equivalents at the end of the financial year</b>	13	<b>2,232,644</b>	<b>6,281,061</b>

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

## 1. General information

Angas Prime (the "Trust") is a unit trust and registered managed investment scheme domiciled in Australia. The unit trust was constituted on 17 April 1984 and will terminate on 16 April 2064 unless terminated earlier in accordance with the provisions of the Trust's Constitution. A deed of variation was made on 13 November 2013 to amend the constitution to note revised rights and obligations as per a new PDS issued 13 November 2013. The PDS was most recently revised and reissued on 7 October 2020 (refer to Subsequent events note for latest PDS reissue date).

The Responsible Entity of the Trust is Angas Securities Limited ('the Responsible Entity').

This financial report covers the Trust 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 Trust has applied, where relevant, the following 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"> <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, and the cost of producing those items, is recognised in profit or loss</li> <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>
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The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Trust'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 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 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 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 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 Trust 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 Trust's accounting policies, management is required to make judgements, 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 Trust's accounting policies, and key sources of estimation uncertainty.

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

**(a) Revenue**

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

*Interest income*

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

**(b) Expenses**

All expenses, including the Responsible Entity's fees, are recognised in the Statement of Comprehensive Income on an accrual 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) 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 trust qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% hence 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 Trust'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.

**(g) 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 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.

**(h) Provisions**

Provisions are recognised when the Trust has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

**(i) Distributions**

In accordance with the Trust's Constitution, the Trust fully distributes its distributable income to unitholders by way of cash or reinvestment into the Trust.

Distributions to unitholders comprise the income of the Trust to which the unitholders are presently entitled. The distributions are payable monthly and are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

**(j) Applications and redemptions**

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the Trust's Constitution, being \$1.00 less applicable redemption fees.

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

**Critical judgments in applying the Trust's accounting policies**

The following are the critical judgements that management has 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:

In the process of applying the Trust'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 Trust assesses impairment at each reporting date by evaluating conditions specific to the Trust 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. Trade and other receivables**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Interest Receivable	139,987	52,954
Allowance for doubtful debts	-	-
	139,987	52,954
Goods and services tax (Payable) / recoverable	-	-
	<b>139,987</b>	<b>52,954</b>

**6. Other financial assets**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Loans – at amortised cost	29,780,692	22,865,692
Allowance for doubtful debts	(267,700)	(192,000)
	<b>29,512,992</b>	<b>22,673,692</b>

**7. Trade and other payables**

	30 June 2023	30 June 2022
	\$	\$
Accrued expenses	9,500	8,500
Other payables	55,514	72,421
	<b>65,014</b>	<b>80,921</b>

**8. Other financial liabilities**

	30 June 2023	30 June 2022
	\$	\$
Unearned Income (interest received in advance on loans)	2,750	138,446
	<b>2,750</b>	<b>138,446</b>

**9. Distributions paid and payable**

During the financial year, the Target rate was 4.75% from July 2022 to September 2022, then changed to 5.0% from October 2022 to February 2023, then to 5.5% from March 2023 to June 2023.

Since the issue of the PDS dated 7 October 2020 up until 30 June 2023, Angas Prime offered a premium rate to investors who had a lump sum investment of \$500,000 or more, that is invested for the full 12-month term. During the financial year ending 30 June 2023, the Premium Rate is up to 0.5% above the Target Rate for an investment of \$500,000 to \$999,000 and up to 1.0% above the prevailing Target Rate for an investment of \$1 million or more. Effective 1 July 2023, this was replaced by Angas Prime Gold rate (refer Subsequent events note).

The distributions were paid as follows:

	2023		2022	
	Avg cents / unit	\$	Avg cents / unit	\$
Distributions paid during the period	0.0510	1,556,345	0.0485	1,252,822
Distributions payable	0.0550	156,859	0.0475	117,340
<b>Total</b>		<b>1,713,204</b>		<b>1,370,162</b>
<b>TOTAL</b>		<b>1,713,204</b>		<b>1,370,162</b>

**10. Unitholders' equity**

	2023	2022
	Units	Units
Opening balance	28,671,000	26,491,000
Applications	5,487,000	5,249,000
Redemptions	(2,497,000)	(3,069,000)
Closing balance	<b>31,661,000</b>	<b>28,671,000</b>

**11. Related party disclosures**

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

The transactions during the year and amounts receivable/payable at the end of the year between the Trust and the Responsible Entity are as follows:

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Responsible Entity's management fees	489,128	262,569
Responsible Entity's performance fees	217,126	87,029
	<b><u>706,254</u></b>	<b><u>349,598</u></b>

**12. Remuneration of auditors**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Audit of the financial report	15,550	8,500
Audit or review of previous financial reports	6,775	6,300
	<b><u>22,325</u></b>	<b><u>14,800</u></b>

The auditor of Angas Prime is Peter Hill of Perks Audit Pty Ltd.

**13. 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:

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Cash at bank (operating account)	35,212	45,191
Application trust account	2,164,915	6,024,433
Interest trust account	32,517	211,437
	<b><u>2,232,644</u></b>	<b><u>6,281,061</u></b>

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

	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Net profit	-	-
Finance costs attributable to unitholders	1,713,204	1,370,162
Net profit attributable to unitholders	<u>1,713,204</u>	<u>1,370,162</u>
Changes in net assets:		
(Increase)/decrease in income receivable	(87,033)	68,200
Increase/(decrease) in creditors and accruals	<u>(15,908)</u>	<u>5,509</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>1,610,263</u></b>	<b><u>1,443,871</u></b>

#### 14. Financial instruments

The Trust's assets principally consist of financial instruments which comprise fixed interest investments and mortgages. It holds these investment assets at the discretion of the Trust's Investment Manager in accordance with its Product Disclosure Statement (PDS).

The allocation of assets as between the various types of financial instruments described above is determined by the Trust's investment Manager who manages the Trust's portfolio of assets to achieve the Trust's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Trust's Investment Manager on at least a monthly basis. As at 30 June 2023 and 2022, the Trust's assets were represented by cash, short term receivables and mortgages as allowed by the PDS most recently revised and reissued on 7 October 2020 (refer to Subsequent events note for latest PDS reissue date).

The Trust's investing activities expose it to the following risks.

- Interest risk
- Liquidity risk
- Credit risk

The nature and extent of the financial instruments employed by the Trust are discussed below. This note presents information about the Trust's exposure to each of the above risks, the Trust's objectives, policies and processes for measuring and managing risk.

##### Financial risk management

The Trust's principal financial instruments comprise interest bearing deposits with high credit rating institutions. The main purpose of these financial instruments is to invest in order to maximise returns while not exposing the Trust to a high level of risk. The allocation of assets as between the financial instruments described above is determined by the Trust's Investment Manager who manages the Trust's portfolio of assets to achieve the Trust's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Trust's Investment Manager on at least a monthly basis.

##### Interest rate risk

The majority of the Trust's financial assets are interest bearing deposits. Interest-bearing financial assets and interest-bearing financial liabilities mature or re-price in the short-term, no longer than twelve months. As a result, the Trust is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

The Trust's overall interest rate risks are monitored on a monthly basis by the Board of directors.

##### Interest rate sensitivity

An increase of 50 basis points in interest rates as at the reporting date would have increased the net assets attributable to unit holders and profit or loss from operating activities by \$147,565 (2022: \$113,368). A decrease of 50 basis points would have had an equal but opposite effect.

##### Credit risk

Credit risk represents the loss that would be recognised if counterparties fail to meet their obligations under the respective contracts at maturity. The credit risk on financial assets of the Trust has been recognised in the Statement of Financial Position, at the carrying amount. Trade Receivables are concentrated in Australia. Risk is also minimised by investing surplus funds with financial institutions with a high credit rating.

##### Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

The Trust's Constitution provides for the daily application and redemptions of units and it is therefore exposed to the liquidity risk of meeting unit holder redemptions at any time.

The Trust's overall liquidity risks are monitored on a monthly basis by the Board of directors of the Responsible Entity.

The directors of the Responsible Entity have reasonable grounds to believe that the investors will be able to withdraw from the scheme in accordance with conditions listed in the Constitution and Product Disclosure Statement at the redemption unit price as at that date.

The following table details the Trust's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Trust can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Trust may be required to pay.

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to a year \$	Total \$
<b>2023</b>					
Trade and other payables	Nil	55,514	9,500	-	65,014
Other financial liabilities	Nil	2,750	-	-	2,750
Distributions payable	5.50%	156,859	-	-	156,859
<b>Total financial liabilities</b>		<b>215,123</b>	<b>9,500</b>	<b>-</b>	<b>224,623</b>
<b>2022</b>					
Trade and other payables	Nil	72,421	8,500	-	80,921
Other financial liabilities	Nil	138,446	-	-	138,446
Distributions payable	4.75%	117,340	-	-	117,340
<b>Total financial liabilities</b>		<b>328,207</b>	<b>8,500</b>	<b>-</b>	<b>336,707</b>

The following table details the Trust's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Trust's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted average effective interest rate %	At call \$	Less than 1 month \$	1-3 months \$	3 months to a year \$	Total \$
<b>2023</b>						
Cash and cash equivalents	0.01%	2,232,644	-	-	-	2,232,644
Trade and other receivables	NIL	139,987	-	-	-	139,987
Other financial assets	9.36%	-	-	6,175,537	23,337,455	29,512,992
<b>Total financial assets</b>		<b>2,372,631</b>	<b>-</b>	<b>6,175,537</b>	<b>23,337,455</b>	<b>31,885,623</b>
<b>2022</b>						
Cash and cash equivalents	0.02%	6,281,061	-	-	-	6,281,061
Trade and other receivables	NIL	52,954	-	-	-	52,954
Other financial assets	8.84%	-	-	1,638,310	21,035,382	22,673,692
<b>Total financial assets</b>		<b>6,334,015</b>	<b>-</b>	<b>1,638,310</b>	<b>21,035,382</b>	<b>29,007,707</b>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

**Fair value of financial instruments carried at amortised cost**

The directors of the Responsible Entity consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.



#### 15. Commitments

The Trust has no commitments as at balance date (2022: \$nil).

#### 16. 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.

#### 17. Subsequent events

Refer to Subsequent Event note in Directors' Report.

#### 18. Other information

*i) Commencement date of the Trust*

The Trust is deemed to have commenced operations on 17 April 1984. That Trust Deed was amended and was converted to a Constitution at a unitholders' meeting held on 25 February 2000. That Constitution was registered with the Australian Securities and Investments Commission on 31 March 2000.

*ii) Life of the Trust*

The Trust must terminate on the earliest of:

- a) its termination date of 16 April 2064;
- b) the date specified by the Responsible Entity as the date of termination of the Trust in a Notice given to the unitholders;
- c) the date specified in an Extraordinary Resolution at a duly convened meeting of the unitholders; and
- d) the date on which the Trust terminates in accordance with another provision of the Constitution or by law.