

# **ANGAS SECURITIES LIMITED**

ACN: 091 942 728

Financial report for the financial year ended 30 June 2006

# Annual financial report for the financial year ended 30 June 2006

	<b>Page</b>
Directors' report	<b>1</b>
Auditors' independence declaration	<b>3</b>
Independent audit report	<b>4</b>
Directors' declaration	<b>5</b>
Income statement	<b>6</b>
Balance sheet	<b>7</b>
Statement of recognised income and expense	<b>8</b>
Cash flow statement	<b>9</b>
Notes to the financial statements	<b>10</b>

## Directors' report

The directors of Angas Securities Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2006. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the company during and since the end of the financial year are:

### Directors

Name	Particulars
Mr 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.
Mr Matthew John Hower	Managing Director. Finance industry experience in area of corporate structured finance, joined the Board 29 March 2000.
Professor Michael Carlisle Howard Burgess	Chartered Accountant, past State Chairman of the Institute of Chartered Accountants and a member of the Institute's National Board, currently an Adjunct Professor at University of SA, joined the Board 29 March 2000 in a non-executive capacity.
Mr Robert Bruce Morton	Retired General Manager SA & NT ANZ Banking Group, past Esanda Finance National General Manager Lending and Operations, joined the board 29 March 2000.
Mr Kimley John Lyons	Retired Lawyer, who practiced principally in the area of Banking and Finance, former Managing Partner of a major Perth law firm, joined the board 10 May 2002.

### Company Secretary

Patricia Harkins-Burr was appointed Company Secretary in July 2004. Patricia joined the company in September 2003, prior to which she held a position as Litigation Support Manager with a national law firm.

### Principal activities

The consolidated entity's principal activities in the course of the financial year were the raising of funds from the public through the issue of debenture securities principally for first mortgage lending as well as for other approved investments.

### Review of operations

The profit amounted to \$3,368,211 (2005: \$1,283,005). This was an increase over the previous year reflecting an increase in underlying assets and revenues.

### Changes in state of affairs

On the 16 December 2005 Angas Securities Limited purchased 172 units, (96.6%) (@\$25,000 per unit) in Angas Property Fund ATF Angas Property Trust No.3. The total cost of unit holdings held by Angas Securities Limited equaled \$4,300,000. As a result of purchasing these units, Angas Securities Limited will report as a consolidated entity for the financial year ended 30 June 2006.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

### Subsequent events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

## Future developments

The consolidated entity proposes to maintain its core operating functions whilst continuing to build its asset base and turnover. Growth of the asset base is expected to be derived from the issue of debentures together with a policy of continued retention of a portion of after tax profits. The consolidated entity plans to increase its geographical range by the progressive opening of new offices. An office is to be opened in Melbourne, Victoria which should enhance the consolidated entity's lending opportunities.

## Dividends

In respect of the financial year ended 30 June 2006, a dividend of 111.11 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of ordinary shares on 25 July 2005.

## Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above) against a liability incurred as such a director 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 company has entered into a Deed with each director indemnifying such director out of the funds of the company against liability to a third party incurred as a director unless the liability:-

- Arises out of the conduct involving lack of good faith
- Arises from the commission of a criminal offence
- Comprises a pecuniary penalty or compensation order under the Corporations Act, or is a pecuniary penalty for a breach of the restrictive practice provisions of the Trade Practices Act.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

## Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 11 board meetings, 11 compliance committee meetings and 2 audit committee meetings were held.

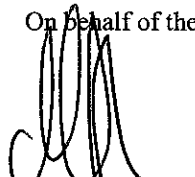
Directors	Board Meetings		Audit Committee Meetings		Compliance Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr A Luckhurst-Smith	11	10	-	-	11	9
Mr M J Hower	11	11	2	2	11	8
Prof M C Burgess	11	9	2	2	-	-
Mr R B Morton	11	11	-	-	-	-
Mr K J Lyons	11	9	-	-	11	10

## Auditor's independence declaration

The auditor's independence declaration is included on page 3 of the financial report.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



M J Hower  
Director

ADELAIDE, 28 SEPTEMBER 2006

The Board of Directors  
Angas Securities Limited  
375 King William Street  
ADELAIDE SA 5000

28 September 2006

**Re: Angas Securities Limited**

Dear Board Members

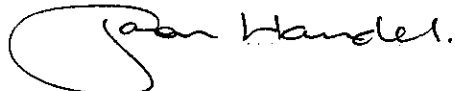
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Angas Securities Limited.

As lead audit partner for the audit of the financial statements of Angas Securities Limited for the financial year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU



J J Handel  
Partner  
Chartered Accountants

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ANGAS SECURITIES LIMITED

### Scope

#### *The financial report and directors' responsibility*

The financial report comprises the balance sheet, income statement, cash flow statement, statement of recognised income and expense, a summary of significant accounting policies and other explanatory notes and the directors' declaration for both Angas Securities Limited (the "company") and the consolidated entity, for the financial year ended 30 June 2006 as set out on pages 5 to 40. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standards in Australia and the Corporations Act 2001. This includes responsibility for the maintenance of adequate financial records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit approach*

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards in Australia and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations, their changes in equity and their cash flows.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

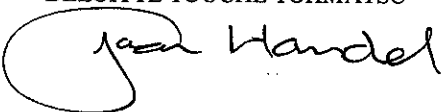
The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In our opinion, the financial report of Angas Securities Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
- (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001.

  
DELOITTE TOUCHE TOHMATSU

  
J J Handel  
Partner  
Chartered Accountants

Adelaide, 28 September 2006

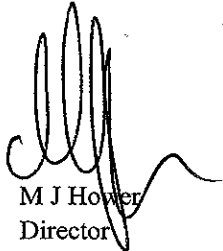
## Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) 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 consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

M J Hower  
Director

Adelaide, 28 September 2006

## Income statement for the financial year ended 30 June 2006

	Note	Consolidated		Company	
		2006 \$	2005 \$	2006 \$	2005 \$
Interest revenue	2	12,920,900	8,323,487	12,919,791	8,323,487
Interest expense	2	(8,599,706)	(5,526,643)	(8,533,407)	(5,526,643)
<b>Net interest revenue</b>		<b>4,321,194</b>	<b>2,796,844</b>	<b>4,386,384</b>	<b>2,796,844</b>
Non interest revenue	3	3,098,229	1,969,238	3,155,482	1,969,238
Gain on sale of property held for resale		2,148,834	-	2,148,834	-
Share of the profit of associate's accounted for using the equity method		164,675	169,754	-	169,754
Marketing expenses		(278,490)	(395,010)	(278,490)	(395,010)
Occupancy expenses		(212,645)	(66,831)	(212,645)	(66,831)
Administration expenses		(4,238,152)	(2,617,462)	(4,238,152)	(2,617,462)
Other expenses		(134,985)	(7,511)	(7,243)	(7,511)
<b>Profit before income tax expense</b>	3	<b>4,868,660</b>	<b>1,849,022</b>	<b>4,954,170</b>	<b>1,849,022</b>
Income tax expense	4	(1,500,449)	(566,017)	(1,500,449)	(566,017)
<b>Profit for the period</b>		<b>3,368,211</b>	<b>1,283,005</b>	<b>3,453,721</b>	<b>1,283,005</b>
Loss attributable to minority interest		2,884	-	-	-
<b>Profit attributable to members of the parent entity</b>		<b>3,371,095</b>	<b>1,283,005</b>	<b>3,453,721</b>	<b>1,283,005</b>

Notes to the financial statements are included on pages 10 to 40.



# Balance sheet as at 30 June 2006

	Note	Consolidated		Company	
		2006 \$	2005 \$	2006 \$	2005 \$
<b>Assets</b>					
Cash and cash equivalents	30	27,645,813	24,742,811	27,596,827	24,742,811
Trade and other receivables	7	1,547,998	1,579,256	1,541,310	1,579,256
Other assets	8	17,045	50,395	11,162	50,395
Loans	9	89,546,100	64,382,975	89,546,100	64,382,975
Property held for resale	11	-	2,742,659	-	2,742,659
Investments accounted for using the equity method	12	1,750,000	1,750,000	1,750,000	1,750,000
Deferred tax assets	4	518,112	796,472	518,112	796,472
Property, plant and equipment	13	429,895	65,222	429,895	65,222
Investment property	14	6,344,359	-	-	-
Other financial asset	15	-	-	4,300,000	-
Marina berths		332,727	366,000	332,727	366,000
<b>Total assets</b>		<b>128,132,049</b>	<b>96,475,790</b>	<b>126,026,133</b>	<b>96,475,790</b>
<b>Liabilities</b>					
Trade and other payables	17	779,344	448,372	749,687	448,372
Interest bearing liabilities	18	122,601,127	92,448,741	120,589,360	92,448,741
Current tax payables	4	273,970	703,219	273,970	703,219
Deferred tax liabilities	4	95,135	42,408	95,135	42,408
Provisions	19	44,939	3,255	44,939	3,255
Unearned income	20	27,000	1,037,474	27,000	1,037,474
<b>Total liabilities</b>		<b>123,821,515</b>	<b>94,683,469</b>	<b>121,780,091</b>	<b>94,683,469</b>
<b>Net assets</b>		<b>4,310,534</b>	<b>1,792,321</b>	<b>4,246,042</b>	<b>1,792,321</b>
<b>Equity</b>					
Issued capital	21	245,138	245,138	245,138	245,138
Retained earnings	22	3,918,278	1,547,183	4,000,904	1,547,183
Parent entity interest		4,163,416	1,792,321	4,246,042	1,792,321
Minority interest		147,118	-	-	-
<b>Total equity</b>		<b>4,310,534</b>	<b>1,792,321</b>	<b>4,246,042</b>	<b>1,792,321</b>

Notes to the financial statements are included on pages 10 to 40.

## Statement of recognised income and expense for the financial year ended 30 June 2006

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Net income recognised directly in equity	-	-	-	-
Profit for the period	3,368,211	1,283,005	3,453,721	1,283,005
<b>Total recognised income and expense for the period</b>	<b>3,368,211</b>	<b>1,283,005</b>	<b>3,453,721</b>	<b>1,283,005</b>
Attributable to:				
Equity holders of the parent	3,371,095	1,283,005	3,453,721	1,283,005
Minority interest	(2,884)	-	-	-
	<b>3,368,211</b>	<b>1,283,005</b>	<b>3,453,721</b>	<b>1,283,005</b>

Notes to the financial statements are included on pages 10 to 40.

# Cash flow statement for the financial year ended 30 June 2006

	Note	Consolidated		Company	
		2006 \$	2005 \$	2006 \$	2005 \$
<b>Cash flows from operating activities</b>					
Receipts from customers		2,972,953	1,598,695	2,749,848	1,598,695
Payments to suppliers and employees		(4,587,479)	(2,677,926)	(4,490,402)	(2,677,926)
Receipt of property investment distribution		151,140	169,754	249,116	169,754
Payment of property investment distribution		(3,418)	-	-	-
Interest received		13,692,794	7,008,471	13,691,685	7,008,471
Interest paid		(8,353,120)	(5,524,679)	(8,286,821)	(5,524,679)
Income tax paid		(1,598,611)	(742,421)	(1,598,611)	(742,421)
Net cash provided by/(used in) operating activities	30(d)	2,274,259	(168,106)	2,314,815	(168,106)
<b>Cash flows from investing activities</b>					
Proceeds from repayment of mortgage loans		44,782,013	20,840,606	44,782,013	20,840,606
Payments for mortgage loans		(71,826,602)	(48,372,432)	(71,826,602)	(48,372,432)
Proceeds on sale of land held for sale		4,950,000	-	4,950,000	-
Payment for property held for resale		(58,256)	(298,183)	(58,256)	(298,183)
Proceeds from repayment of related party loans		116,323	49,199	116,323	49,199
Amounts advanced to related parties		-	(50,957)	-	(50,957)
Payments for investments		-	-	(4,300,000)	-
Proceeds from sale of financial assets		-	100,000	-	100,000
Payment for property, plant and equipment		(291,895)	(63,395)	(291,895)	(63,395)
Payment for investment property		(6,372,225)	-	-	-
Proceeds from borrowings	30(b)	2,011,767	-	-	-
Net cash used in investing activities		(26,688,875)	(27,795,162)	(26,628,417)	(27,795,162)
<b>Cash flows from financing activities</b>					
Proceeds from issues of units in trust (minority interest)		150,000	-	-	-
Proceeds from issue of debt securities		47,338,240	48,254,541	47,338,240	48,254,541
Repayment of debt securities		(19,170,622)	(6,288,404)	(19,170,622)	(6,288,404)
Dividends paid:					
- members of the parent entity		(1,000,000)	(90,000)	(1,000,000)	(90,000)
Net cash provided by financing activities		27,317,618	41,876,137	27,167,618	41,876,137
<b>Net increase in cash and cash equivalents</b>		2,903,002	13,912,869	2,854,016	13,912,869
<b>Cash and cash equivalents at the beginning of the financial year</b>		24,742,811	10,829,942	24,742,811	10,829,942
<b>Cash and cash equivalents at the end of the financial year</b>	30(a)	27,645,813	24,742,811	27,596,827	24,742,811

Notes to the financial statements are included on pages 10 to 40.

## Notes to the financial statements for the financial year ended 30 June 2006

Note	Contents	Note	Contents
1	Summary of accounting policies	19	Provisions
2	Interest revenue and interest expense	20	Unearned income
3	Profit from operations	21	Issued capital
4	Income taxes	22	Retained earnings
5	Key management personnel remuneration	23	Dividends
6	Remuneration of auditors	24	Leases
7	Trade and other receivables	25	Subsidiaries
8	Other assets	26	Acquisition of business
9	Loans	27	Segment information
10	Expired loans	28	Related party disclosures
11	Property held for resale	29	Subsequent events
12	Investments accounted for using the equity method	30	Notes to the cash flow statement
13	Property, plant and equipment	31	Financial instruments
14	Investment property	32	Impacts of the adoption of Australian equivalents to International Financial Reporting Standards
15	Other financial asset	33	Changes in composition of the consolidated entity
16	Assets pledged as security	34	Commitments and contingent liabilities
17	Trade and other payables	35	Additional company information
18	Interest bearing liabilities		

## 1. Summary of accounting policies

### Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards ('IFRS'). The parent entity financial statements and notes also comply with IFRS except for the disclosure requirements in IAS 32 'Financial Instruments: Disclosure and Presentation' as the Australian equivalent Accounting Standard, AASB 132 'Financial Instruments: Disclosure and Presentation' does not require such disclosures to be presented by the parent entity where its separate financial statements are presented together with the consolidated financial statements of the consolidated entity.

The financial statement were authorised for issue by the directors on 28 September 2006.

### 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. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying balances of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. 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.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

The consolidated entity changed its accounting policies on 1 July 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the company's and consolidated entity's financial position, financial performance and cash flows is discussed in note 32.

The directors have also elected under s.334(5) of the Corporations Act 2001 to apply Accounting Standard AASB 119 'Employee Benefits' (December 2004), even though the Standard is not required to be applied until annual reporting periods beginning on or after 1 January 2006.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information presented in these financial statements for the year ended 30 June 2005, and in the preparation of the opening A-IFRS balance sheet at 1 July 2004 (as disclosed in note 32), the consolidated entity's date of transition, except for the accounting policies in respect of financial instruments. The consolidated entity has not restated comparative information for financial instruments, as permitted under the first-time adoption transitional provisions. The accounting policies for financial instruments applicable to the comparative information and the impact of changes in these accounting policies on 1 July 2005, the date of transition for financial instruments, is discussed further in note 1(o).

### Significant accounting policies

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

#### (a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments.

## 1. Summary of accounting policies (cont'd)

### (b) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

#### Defined contribution plans

Contribution to defined contribution superannuation plans are expensed when incurred.

### (c) Financial assets

Investments are recognised and de-recognised on trade date where the purchase or sale of an investment is under a contract with terms that require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements. Subsequent to initial recognition, investments in subsidiaries are measured at cost. Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available for sale' 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 are recorded at amortised cost less impairment.

### (d) Financial instruments issued by the company

#### Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

#### Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

#### Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

#### Financial liabilities

When a financial liability is recognised initially, the consolidated entity measures it at its fair value plus, transaction costs that are directly attributable to the issue of the financial liability.

After initial recognition, the consolidated entity measures all financial liabilities at amortised cost using effective interest rate method.

### (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.

The net 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 cash flow statement 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 as operating cash flows.

## 1. Summary of accounting policies (cont'd)

(f) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

(h) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at the cost basis. Buildings are depreciated on a straight line basis over a period of 50 years.

## 1. Summary of accounting policies (cont'd)

(i) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(j) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(k) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(l) Property, plant and equipment

Plant and equipment, and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- |                          |               |
|--------------------------|---------------|
| • Leasehold improvements | 3 years       |
| • Plant and equipment    | 2.5 - 4 years |

(m) Provisions

Provisions are recognised when the consolidated entity 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 cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

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.



## 1. Summary of accounting policies (cont'd)

(n) Revenue recognition

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Trust distribution

Trust distribution revenue is recognised when receivable.

Loan fee income

Loan fee income is recognised over the loan period. However, loan fee income which is earned as a result of maintaining the loan will be recognised as revenue as the service is provided.

(o) Comparative information – financial instruments

The consolidated entity has elected not to restate comparative information for financial instruments within the scope of Accounting Standards AASB 132 'Financial Instruments: Disclosure and Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement', as permitted on the first-time adoption of A-IFRS. The effect of changes in the accounting policies for the financial instruments on the balance sheet at 1 July 2005 is a reduction in the loan receivable balance from \$64,382,975 to \$63,413,501 due to the offsetting of the related unearned income of \$969,474.

The accounting policies applied to accounting for financial instruments in the current financial year are detailed in notes 1(a) to (n). The following accounting policies were applied to accounting for financial instruments in the comparative financial year:

(a) Accounts payable

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(b) Financial instruments issued by the company

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(c) Investments

Investments other than investments in subsidiaries, associates and joint venture entities are recorded at cost.

Profit distribution is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(d) Receivables

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

## 2. Interest revenue and interest expense

	Consolidated		
	Average Balance \$	Interest \$	Average Rate %
<i>Interest revenue 2006</i>			
Deposits with other financial institutions	26,193,560	1,707,595	6.52%
Loans	77,847,107	11,213,305	14.40%
	104,040,667	12,920,900	12.42%
<i>Interest revenue 2005</i>			
Deposits with other financial institutions	17,786,029	834,448	4.69%
Loans	50,738,946	7,489,039	14.76%
	68,524,975	8,323,487	12.17%
<i>Interest expense 2006</i>			
Debenture	106,655,033	8,533,407	8.00%
Commercial Bill	2,011,767	66,299	6.08%
	108,666,800	8,599,706	7.92%
<i>Interest expense 2005</i>			
Debenture	71,467,172	5,526,643	7.73%
	Company		
	Average Balance \$	Interest \$	Average Rate %
<i>Interest revenue 2006</i>			
Deposits with other financial institutions	26,169,067	1,706,486	6.52%
Loans	77,847,107	11,213,305	14.40%
	104,016,174	12,919,791	12.42%
<i>Interest revenue 2005</i>			
Deposits with other financial institutions	17,786,029	834,448	4.69%
Loans	50,738,975	7,489,039	14.76%
	68,525,004	8,323,487	12.17%
<i>Interest expense 2006</i>			
Debenture	106,655,033	8,533,407	8.00%
<i>Interest expense 2005</i>			
Debenture	71,467,172	5,526,643	7.73%

### 3. Profit from operations

#### (a) Non interest revenue

Consolidated	
2006 \$	2005 \$
Rent received – investment property	-
Rent received – serviced office	-
Stamp duty rebate income	274,993
Loan fee income	1,694,245
3,098,229	1,969,238

Company	
2006 \$	2005 \$
Distribution received Angas Property Trust No.1	-
Distribution received Angas Property Trust No.3	-
Rent received – serviced office	-
Stamp duty rebate income	274,993
Loan fee income	1,694,245
3,155,482	1,969,238

#### (b) Profit before income tax

Consolidated	
2006 \$	2005 \$
Profit before income tax has been arrived at after charging the following expenses:	
Direct operating expenses of investment property:	
Property generating rental income	-
	-
Depreciation of non-current assets	21,763
	21,763
Net doubtful debts	-
	-
Employee benefit expense:	
Post employment benefits – Defined contribution plan	26,727
	26,727
Other employee benefits	460,571
1,246,836	487,298

### 3. Profit from operations (cont'd)

Profit before income tax has been arrived at after charging the following expenses:

Direct operating expenses of investment property:

Property generating rental income

Depreciation of non-current assets

Net doubtful debts

Employee benefit expense:

Post employment benefits – Defined contribution plan

Other employee benefits

Company	
2006 \$	2005 \$
-	-
-	-
81,221	21,763
81,221	21,763
260,000	-
260,000	-
101,152	26,727
101,152	26,727
1,145,684	460,571
1,246,836	487,298

### 4. Income taxes

#### (a) Income tax recognised in profit or loss

Tax expense comprises:

Current tax expense

Deferred tax expense/(income) relating to the origination and reversal of temporary differences

Total tax expense

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Profit

Income tax expense calculated at 30%

Non-deductible expenses

Consolidated		Company	
2006 \$	2005 \$	2006 \$	2005 \$
1,169,361	1,013,789	1,169,361	1,013,789
331,088	(447,772)	331,088	(447,772)
1,500,449	566,017	1,500,449	566,017
4,868,660	1,849,022	4,954,170	1,849,022
1,460,598	554,707	1,486,251	554,707
39,851	11,310	14,198	11,310
1,500,449	566,017	1,500,449	566,017

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

#### (b) Current tax liabilities

Current tax payables:

Income tax payable attributable to:

Parent entity

Consolidated		Company	
2006 \$	2005 \$	2006 \$	2005 \$
273,970	703,219	273,970	703,219
273,970	703,219	273,970	703,219

**4. Income taxes (cont'd)**

**(c) Deferred tax balances**

**Deferred tax assets comprise:**

Temporary differences

**Deferred tax liabilities comprise:**

Temporary differences

Consolidated		Company	
2006	2005	2006	2005
\$	\$	\$	\$
518,112	796,472	518,112	796,472
518,112	796,472	518,112	796,472
(95,135)	(42,408)	(95,135)	(42,408)
(95,135)	(42,408)	(95,135)	(42,408)

Taxable and deductible temporary differences arise from the following:

2006	Consolidated		
	Opening balance \$	Charged to income \$	Closing balance \$
<b>Gross deferred tax liabilities:</b>			
Investment property	(42,408)	(52,727)	(95,135)
	(42,408)	(52,727)	(95,135)
<b>Gross deferred tax assets:</b>			
Trade and other receivables	-	78,000	78,000
Property held for resale	632,041	(632,041)	-
Investment property	-	2,174	2,174
Trade and other payables	7,680	2,724	10,404
Provisions	977	12,505	13,482
Loans	155,774	258,278	414,052
	796,472	(278,360)	518,112
	754,064	(331,087)	422,977
<b>Attributable to:</b>			
Continuing operations			422,977
			422,977

2005	Consolidated		
	Opening balance \$	Charged to income \$	Closing balance \$
<b>Gross deferred tax liabilities:</b>			
Investment property	(24,246)	(18,162)	(42,408)
	(24,246)	(18,162)	(42,408)
<b>Gross deferred tax assets:</b>			
Property held for resale	-	632,041	632,041
Trade and other payables	-	7,680	7,680
Provisions	-	977	977
Loans	330,537	(174,763)	155,774
	330,537	465,935	796,472
	306,291	447,773	754,064
<b>Attributable to:</b>			
Continuing operations			754,064
			754,064

#### 4. Income taxes (cont'd)

2006	Company		
	Opening balance \$	Charged to income \$	Closing balance \$
<b>Gross deferred tax liabilities:</b>			
Investment property	(42,408)	(52,727)	(95,135)
	(42,408)	(52,727)	(95,135)
<b>Gross deferred tax assets:</b>			
Trade and other receivables	-	78,000	78,000
Property held for resale	632,041	(632,041)	-
Investment property	-	2,174	2,174
Trade and other payables	7,680	2,724	10,404
Provisions	977	12,505	13,482
Loans	155,774	258,278	414,052
	796,472	(278,360)	518,112
	754,064	(331,087)	422,977
<b>Attributable to:</b>			
Continuing operations			422,977
			422,977

2005	Company		
	Opening balance \$	Charged to income \$	Closing balance \$
<b>Gross deferred tax liabilities:</b>			
Investment property	(24,246)	(18,162)	(42,408)
	(24,246)	(18,162)	(42,408)
<b>Gross deferred tax assets:</b>			
Property held for resale	-	632,041	632,041
Trade and other payables	-	7,680	7,680
Provisions	-	977	977
Loans	330,537	(174,763)	155,774
	330,537	465,935	796,472
	306,291	447,773	754,064
<b>Attributable to:</b>			
Continuing operations			754,064
			754,064

## 5. Key management personnel remuneration

The key management personnel of Angas Securities Limited during the year were:

- A Luckhurst-Smith (Executive Chairman)
- M J Hower (Managing Director)
- K J Lyons (Executive Director)
- R B Morton (Executive Director)
- M C H Burgess (Non-Executive Director)

There are no other employees, who are not directors of the entity, who are considered key management personnel with responsibility for the strategic direction and operational management of the entity. Therefore there are no executives included as key management personnel.

### (a) Key management personnel compensation policy

On a periodic basis the board enlists the services of a consultant specialising in the field of employee management to review director salaries and benchmark them against industry standards. The board then completes a review process, using the independently prepared report as a benchmark to measure existing director salaries and determine whether they are being paid accordingly.

Once the directors salary is set by the board, they are paid on a predetermined percentage of hours worked.

The Directors' salaries are not measured against company performance. Currently the consolidated entity does not have a set annual review date for director remuneration.

The consolidated entity does not pay directors or executives performance based payments at present.

### (b) Key management personnel compensation

The aggregate compensation of the key management personnel of the consolidated entity and the company is set out below:

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Short-term employee benefits	644,185	550,180	644,185	550,180
	644,185	550,180	644,185	550,180

### Key management personnel remuneration

The compensation of the key management personnel of the consolidated entity is set out below:

2006	Short term employee benefits		Total
	Salary & Fees \$	Directors Fees \$	\$
A Luckhurst-Smith	152,515	13,200	165,715
M J Hower	231,279	13,200	244,479
K J Lyons	57,918	13,200	71,118
R B Morton	136,473	13,200	149,673
M C H Burgess	-	13,200	13,200
<b>Total</b>	<b>578,185</b>	<b>66,000</b>	<b>644,185</b>

2005	Short term employee benefits		Other benefits	Total
	Salary & Fees \$	Directors Fees \$	\$	\$
A Luckhurst-Smith	139,333	13,200	8,000	160,533
M J Hower	155,487	13,200	8,000	176,687
K J Lyons	38,150	13,200	8,000	59,350
R B Morton	111,210	13,200	8,000	132,410
M C H Burgess	-	13,200	8,000	21,200
<b>Total</b>	<b>444,180</b>	<b>66,000</b>	<b>40,000</b>	<b>550,180</b>

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
<b>6. Remuneration of auditors</b>				
Audit or review of the financial report	145,431	58,944	145,431	58,944
IFRS review	19,250	-	19,250	-
Taxation services	25,850	-	25,850	-
	190,531	58,944	190,531	58,944

The auditor of Angas Securities Limited is Deloitte Touche Tohmatsu.

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
<b>7. Trade and other receivables</b>				
GST receivable	56,086	14,322	56,086	14,322
Trade receivables (i)	1,491,912	1,564,934	1,485,224	1,564,934
	1,547,998	1,579,256	1,541,310	1,579,256

(i) The average credit period on trade receivables is 7 days. No interest is charged on the trade receivables for the first 7 days. Interest is charged on the 8<sup>th</sup> day of the month on trade receivables at a rate outlined in the individual loan agreement.

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
<b>8. Other assets</b>				
Prepaid expenses	17,045	50,395	11,162	50,395



## 9. Loans

Mortgage Loans (i)  
Allowance for doubtful debts

(i) Loans have a face value of \$91,311,240.

### Maturity analysis

Not longer than 3 months  
Longer than 3 months and not longer than 12 months  
Longer than one year not longer than 5 years

### Loans by security

Secured by first mortgage

### Loans by purpose

Commercial loans  
Rural loans  
Residential loans  
Industrial loans

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Mortgage Loans (i)	89,806,100	64,382,975	89,806,100	64,382,975
Allowance for doubtful debts	(260,000)	-	(260,000)	-
	<u>89,546,100</u>	<u>64,382,975</u>	<u>89,546,100</u>	<u>64,382,975</u>
Not longer than 3 months	40,954,018	39,756,935	40,954,018	39,756,935
Longer than 3 months and not longer than 12 months	46,208,611	24,533,756	46,208,611	24,533,756
Longer than one year not longer than 5 years	2,383,471	92,284	2,383,471	92,284
	<u>89,546,100</u>	<u>64,382,975</u>	<u>89,546,100</u>	<u>64,382,975</u>
Secured by first mortgage	89,546,100	64,382,975	89,546,100	64,382,975
Commercial loans	18,991,435	29,833,323	18,991,435	29,833,323
Rural loans	10,022,169	2,540,797	10,022,169	2,540,797
Residential loans	59,744,947	31,254,355	59,744,947	31,254,355
Industrial loans	787,550	754,500	787,550	754,500
	<u>89,546,100</u>	<u>64,382,975</u>	<u>89,546,100</u>	<u>64,382,975</u>

There is no significant concentration of loans to a single debtor. There is a concentration of several loans to various debtors with a common director. These comprise seven loans with total advances of \$17,898,000. These comprise four different borrowers and several different trusts and beneficiaries. Each transaction has separate loan terms and separate first mortgage securities save that six of the loans with total advances of \$12,318,000 are cross-collateralised.

### **Loan recoverability**

The primary security for any real property loan provided by the consolidated entity must be a first registered mortgage over freehold and leasehold property. Additional security is often sought as collateral. The company will never accept a second or subsequent mortgage as its primary security. All loans have a maximum Loan to Valuation Ratio (LVR) of 70%. If this ratio changes then the credit committee will instruct a new valuation and review the recoverability of the loan principal. If based on the valuation the credit committee finds that the loan may not be recovered in full then an appropriate provision based on the current valuation will be made at that time against the loan principal. Where applicable loans are not written off until the recovery process is complete.

# **10. Expired loans**

Expired loans

Consolidated		Company	
2006	2005	2006	2005
\$	\$	\$	\$
11,857,775	14,431,500	11,857,775	14,431,500

Expired loans refer to loans which are past the expiry date.

# **11. Property held for resale**

Land held for sale (i)

Consolidated		Company	
2006	2005	2006	2005
\$	\$	\$	\$
-	2,742,659	-	2,742,659

(i) 2005 figures include land held in NSW, which was sold in July 2005.

# **12. Investments accounted for using the equity method**

Units held in Angas Property Trust No.1, at cost

Consolidated		Company	
2006	2005	2006	2005
\$	\$	\$	\$
1,750,000	1,750,000	1,750,000	1,750,000

The Angas Property Trust No 1 is involved in the acquisition and management of property. Angas Securities Limited has significant influence over the Angas Property Trust No 1 as the effective ownership interest in the trust is 49% (2004: 51.5%). However control over the trust does not exist as, under the provisions of the Trust Deed, the company does not have the capacity to dominate the financial and operating policies of the trustee managing the trust, and does not have sufficient voting powers to appoint or remove the trustee. The carrying value of the investment approximates its equity accounted value as at 30 June 2006, the trust distributes all its income and hence the equity accounted value does not change. The investment has provided reliable diversified income flow to Angas Securities.

### 13. Property, plant and equipment

	Leasehold improvements at cost \$	Consolidated Plant and equipment at cost \$	Total \$
<b>Gross carrying amount</b>			
Balance at 1 July 2004	-	31,258	31,258
Additions	-	63,395	63,395
Balance at 1 July 2005	-	94,653	94,653
Additions	42,229	403,665	445,894
Balance at 30 June 2006	42,229	498,318	540,547
<b>Accumulated depreciation</b>			
Balance at 1 July 2004	-	(7,668)	(7,668)
Depreciation expense	-	(21,763)	(21,763)
Balance at 1 July 2005	-	(29,431)	(29,431)
Depreciation expense	(1,133)	(80,088)	(81,221)
Balance at 30 June 2006	(1,133)	(109,519)	(110,652)
<b>Net book value</b>			
As at 30 June 2005	-	65,222	65,222
As at 30 June 2006	41,096	388,799	429,895

	Leasehold improvements at cost \$	Company Plant and equipment at cost \$	Total \$
<b>Gross carrying amount</b>			
Balance at 1 July 2004	-	31,258	31,258
Additions	-	63,395	63,395
Balance at 1 July 2005	-	94,653	94,653
Additions	42,229	403,665	445,894
Balance at 30 June 2006	42,229	498,318	540,547
<b>Accumulated depreciation</b>			
Balance at 1 July 2004	-	(7,668)	(7,668)
Depreciation expense	-	(21,763)	(21,763)
Balance at 1 July 2005	-	(29,431)	(29,431)
Depreciation expense	(1,133)	(80,088)	(81,221)
Balance at 30 June 2006	(1,133)	(109,519)	(110,652)
<b>Net book value</b>			
As at 30 June 2005	-	65,222	65,222
As at 30 June 2006	41,096	388,799	429,895

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Aggregate depreciation allocated, whether recognised as an expense:				
Leasehold improvements	1,133	-	1,133	-
Plant and equipment	80,088	21,763	80,088	21,763
	81,221	21,763	81,221	21,763

#### 14. Investment property

Balance at beginning of financial year  
Acquisitions  
Accumulated depreciation  
Balance at end of financial year

Consolidated	
2006	2005
\$	\$
-	-
6,372,225	-
(27,866)	-
6,344,359	-

Company	
2006	2005
\$	\$
-	-
-	-
-	-
-	-

The value of the investment property is determined by using the cost model (note 1(h)). The property was purchased on the 16 December 2006. The depreciation method used is the straight line method over a period of 50 years with an estimated residual of \$2,000,000. At the time of purchase the council estimated the land to be valued at approximately \$1,800,000.

#### 15. Other financial asset

Balance at beginning of financial year  
Acquisitions (see note 26)  
Balance at end of financial year

Consolidated	
2006	2005
\$	\$
-	-
-	-
-	-

Company	
2006	2005
\$	\$
-	-
4,300,000	-
4,300,000	-

#### 16. Assets pledged as security

In accordance with the security arrangements of liabilities, as disclosed in note 18 to the financial statements, all assets of the company, except deferred tax assets, have been pledged as security.

#### 17. Trade and other payables

Trade payables (i)

Consolidated	
2006	2005
\$	\$
779,344	448,372

Company	
2006	2005
\$	\$
749,687	448,372

(i) The average credit period on purchases of goods is 30 days. No interest is charged on the trade payables.

#### 18. Interest bearing liabilities

##### Secured

At amortised cost (2005: cost):

Debentures  
Bank Bill

Consolidated	
2006	2005
\$	\$
120,589,360	92,448,741
2,011,767	-
122,601,127	92,448,741

Company	
2006	2005
\$	\$
120,589,360	92,448,741
-	-
120,589,360	92,448,741

##### Maturity analysis

Not longer than 3 months  
Longer than 3 months and not longer than 12 months  
Longer than 1 year and not longer than 5 years

2006	2005
\$	\$
27,693,300	19,807,000
70,363,060	59,930,441
24,544,767	12,711,300
122,601,127	92,448,741

2006	2005
\$	\$
27,693,300	19,807,000
70,363,060	59,930,441
22,533,000	12,711,300
120,589,360	92,448,741

Debentures are secured by a first ranking floating charge over the company's assets and undertakings.

There is no significant concentration of borrowings to a single creditor or group of creditors having similar characteristics. The company does not issue debentures to any single creditor in excess of 10% of total debentures on issue. Debentures may be issued for a period of 1 to 3 years, with interest rates fixed for the term of the debenture. Interest is payable monthly.

**19. Provisions**

Employee benefits

Consolidated		Company	
2006	2005	2006	2005
\$	\$	\$	\$
44,939	3,255	44,939	3,255

**20. Unearned income**

Unearned Income (Interest)  
Unearned Income (Fees)  
Funds received in Advance

Consolidated		Company	
2006	2005	2006	2005
\$	\$	\$	\$
-	629,365	-	629,365
-	340,109	-	340,109
27,000	68,000	27,000	68,000
27,000	1,037,474	27,000	1,037,474

**21. Issued capital**

900,000 fully paid ordinary shares  
(2005: 900,000)

Consolidated		Company	
2006	2005	2006	2005
\$	\$	\$	\$
245,138	245,138	245,138	245,138

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**22. Retained earnings**

Balance at beginning of financial year  
Net profit  
Dividends paid (note 23)  
Balance at end of financial year

Consolidated		Company	
2006	2005	2006	2005
\$	\$	\$	\$
1,547,183	354,178	1,547,183	354,178
3,371,095	1,283,005	3,453,721	1,283,005
(1,000,000)	(90,000)	(1,000,000)	(90,000)
3,918,278	1,547,183	4,000,904	1,547,183

**23. Dividends**

Recognised amounts

**Fully paid ordinary shares**

Final dividend:

Franked to 100 % (Prior year: 100 %)

2006		2005	
Cents per share	Total \$	Cents per share	Total \$
111.11	1,000,000	10.00	90,000

Adjusted franking account balance (tax paid basis)

Company	
2006	2005
\$	\$
2,191,063	1,450,273

## 24. Leases

### Disclosures for lessees

#### Operating leases

##### Leasing arrangements

The consolidated entity leases two offices under operating leases expiring within one to two years, with an option to extend for a further terms of three to five years. Both operating lease contracts contain market review clauses in the event that the consolidated entity exercises its option to renew.

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>Non-cancellable operating lease payments</b>				
Not later than 1 year	75,391	-	75,391	-
Later than 1 year and not longer than 5 years	7,223	-	7,223	-
	82,614	-	82,614	-

### Disclosures for lessors

#### Operating leases

##### Leasing arrangements

The consolidated entity has one operating lease for a term of 10 years on land and building held at Acacia Ridge in Queensland.

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>Non-cancellable operating lease receivables</b>				
Not longer than 1 year	422,838	-	-	-
Longer than 1 year and not longer than 5 years	1,868,623	-	-	-
Longer than 5 years	1,942,697	-	-	-
	4,234,158	-	-	-

## 25. Subsidiaries

Name of entity	Country of incorporation	Ownership interest	
		2006 %	2005 %
Parent entity			
Angas Securities Limited	Australia		
Subsidiaries			
Angas Property Fund Limited ATF Angas Property Trust No.3	Australia	96.6	-

## 26. Acquisition of subsidiary

Names of subsidiary acquired	Principal activity	Date of acquisition	Proportion of units acquired (%)	Cost of acquisition \$
<b>2006:</b>				
Angas Property Fund Limited ATF Angas Property Trust No.3 (unit trust)	Investment	16/12/05	96.6	4,300,000
				<u>4,300,000</u>

The above acquisition was made via the investment of units in an unit trust which was a start up entity. The unit trust invested unit holders funds in the purchase of land and building at 32 Murdoch Circuit Acacia Ridge Queensland.

## 27. Segment information

Angas Securities Limited operates a debenture fund in Australia through the raising of funds from the public principally for first mortgage lending and other investments.  
The company operates predominately in one business and geographical segment.

## 28. Related party disclosures

### (a) Equity interest in associates and subsidiaries

Details of the percentage of ownership interest in Angas Property Trust No.1 are disclosed in note 12 to the financial statements.

Details of percentage of units held in subsidiaries are disclosed in note 25 to the financial statements.

### (b) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in note 5 to the financial statements.

### (c) Key management personnel equity holdings

#### Fully paid ordinary shares of Angas Securities Limited

	Balance@ 1/07/05	Net other change	Balance@ 30/06/06
	No.	No.	No.
A Luckhurst-Smith	180,000	-	180,000
M J Hower	382,500	-	382,500
M C H Burgess	67,500	-	67,500
R B Morton	90,000	-	90,000
K J Lyons	90,000	-	90,000
	810,000	-	810,000

#### Fully paid ordinary shares of Angas Securities Limited

	Balance@ 1/07/04	Net other change	Balance@ 30/06/05
	No.	No.	No.
A Luckhurst-Smith	180,000	-	180,000
M J Hower	405,000	(22,500)	382,500
M C H Burgess	67,500	-	67,500
R B Morton	67,500	22,500	90,000
K J Lyons	90,000	-	90,000
	810,000	-	810,000



## 28. Related party disclosures (cont'd)

### (d) Other transactions with key management personnel

The profit from operations includes the following items of revenue and expense that resulted from transactions other than remuneration, loans or equity holdings, with key management personnel:

	Consolidated	
	2006 \$	2005 \$
Serviced office	200,808	-
Total recognised as revenue	200,808	-
Interest expense	16,364	10,931
Service fee for the provision of administrative services & related accommodation	-	420,403
Legal Consultancy	142,413	164,094
Property inspection fee	23,619	19,147
Commissions	79,208	52,787
Brokerage	45,630	127,355
Total recognised as expenses	307,234	794,717
Total assets arising from transactions other than loans and amounts receivable in relation to equity instruments with key management personnel as at reporting date:		
Commercial hire purchase	-	116,324
Plant & equipment	133,106	-
Leasehold improvement	42,229	-
	175,335	116,324

### (e) Transactions with other related parties

On the 1 of July 2005 Angas Securities Ltd decided to bring all administrative services and related accommodation which were previously provided by Lancaster Corporation Pty Ltd (Lancaster Corporation is an entity which Mr M J Hower and Mr A Luckhurst-Smith are directors of) in-house. Therefore for the 2006 financial year \$Nil (2005: \$420,403) was paid to Lancaster Corporation in the form of service fees.

As a result of bringing the administrative services and related accommodation in-house, Angas Securities Ltd purchased all office equipment and leasehold improvements from Lancaster Corporation at the book written down value as at the 30 June 2005 of \$175,335. As a result of the sale of equipment Lancaster Corporation repaid in full it's hire purchase liability to Angas Securities Limited of \$116,324.

Due to the above restructure of Lancaster Corporation Pty Ltd, it was necessary for Angas Securities Limited to charge a service fee to Hower Corporation Pty Ltd, of which Mr M J Hower is a director for office space, equipment and services provided. For the 2006 financial year \$200,808 (2005: \$Nil) was charged to Hower Corporation Pty Ltd in the form of a service fee.

Interest was paid to Mr K J Lyons and to parties related to him on Debenture funds invested with Angas Securities Limited, total interest paid was \$9,209 for the 2006 financial year (2005:\$9,161). Further interest on Debenture funds invested was also paid to Angas Property Trust No.1 which is a associated entity of Angas Securities Limited. For the 2006 financial year funds paid to Angas Property Trust No.1 totaled \$7,155 (2005:\$1,770).

During the financial year trailing commissions were paid to Hower Corporation Pty Ltd, of which Mr M J Hower is a director. Commissions paid were \$79,208 (2005:\$52,787). Fees were based on standard rates for services provided on each loan.

## **28. Related party disclosures (cont'd)**

Angas Securities Limited also paid brokerage to Hower Corporation Pty Ltd. During the financial year brokerage of \$45,630 (2005: \$127,355) was paid to Hower Corporation Pty Ltd, of which Mr M J Hower is a director. Fees were based on standard rates for services provided on each loan.

Amounts paid to Mr A Luckhurst-Smith for legal consultancy fees for the year were \$142,413 (2005: \$164,094). Fees were based on standard rates for each service provided.

Property inspection fees were paid to Mr R Morton and Mr K J Lyons. Amounts paid for the year were \$17,275 (2005: \$12,583) to Mr R Morton and \$6,344 (2005: \$6,564) to Mr Lyons. Fees were based on standard rates for each service provided.

## **29. Subsequent events**

On the 12 July 2006 the Board undertook an off-market share buy-back. 67,500 shares held by M C H Burgess at an original capital contribution of \$14,766 were bought back through a deemed dividend of \$422,734 fully franked (imputed credit of \$181,172). In total M C H Burgess received the original capital contribution of \$14,766 in addition to the deemed dividend of \$422,734. Payment of this share buy-back will reduce franking credits available for subsequent reporting periods to equity holders by \$181,172.

On the 20 July 2006 a dividend of \$1,000,000 fully franked (imputed credit of \$428,571) was declared and paid relating to proceeds from the sale of land which settled in July 2005. This represents a fully franked dividend of \$1.20 per share. Payment of this dividend will reduce franking credits available for subsequent reporting periods to equity holders by \$428,571.

**30. Notes to the cash flow statement**

**(a) Reconciliation of cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents includes 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 financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Cash – Trading account (at call)	4,389,794	954,849	4,340,808	954,849
Cash – Debenture fund (at call)	19,755,116	10,755,634	19,755,116	10,755,634
Cash – 11AM	-	12,500,000	-	12,500,000
Cash – ANZ (at call)	-	531,728	-	531,728
Cash – ANZ (term deposit)	3,000,000	-	3,000,000	-
Cash – Tasmanian Perpetual Trustees (at call)	500,000	-	500,000	-
Cash on hand	903	600	903	600
	<b>27,645,813</b>	<b>24,742,811</b>	<b>27,596,827</b>	<b>24,742,811</b>

**(b) Financing facilities**

Secured bank bill facility with various maturity dates through to 16/12/2010 and which may be extended by mutual agreement:

Amount used	2,011,767	-	-	-
Amount unused	3,233	-	-	-
	<b>2,015,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(c) Cash balances not available for use**

The Debenture Fund account has at all times a cash balance of at least 7% of all debenture funds issued pursuant to the company's Prospectus and Trust Deed for First Ranking Debenture Stock.

The consolidated entity must hold \$20,000 in cash in the consolidated trading account for working capital relating to Angas Property Trust No.3.

**30. Notes to the cash flow statement (cont'd)**

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

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Profit for the period	3,368,211	1,283,005	3,453,721	1,283,005
Depreciation of non-current assets	109,088	21,763	81,222	21,763
Change in tax balances	(98,162)	(176,404)	(98,162)	(176,404)
Gain on sale of property held for resale	(2,148,834)	-	(2,148,834)	-
Changes in net assets and liabilities, net of effects from acquisition of businesses:				
(Increase)/decrease in assets:				
Receivables	291,258	(1,343,525)	297,946	(1,343,525)
Other assets	33,351	(37,926)	39,234	(37,926)
Increase/(decrease) in liabilities:				
Payables	209,997	139,449	180,338	139,449
Provisions	41,684	3,255	41,684	3,255
Other liabilities	467,666	(57,723)	467,666	(57,723)
Net cash from operating activities	2,274,259	(168,106)	2,314,815	(168,106)

### 31. Financial instruments

#### (a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

#### (b) Interest rate risk management

The consolidated entity is exposed to interest rate risk and the effective weighted average interest rate for classes of financial assets is set out below:

#### Maturity profile of financial instruments

The following table details the consolidated entity's exposure to interest rate risk as at 30 June 2006:

2006	Average interest rate	Variable interest rate	Fixed maturity dates						Non interest bearing	Total
			Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years		
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial assets:</b>										
Cash	5%	4,390,696	-	-	-	-	-	-	-	4,390,696
Other cash deposits	6%	23,255,116	-	-	-	-	-	-	-	23,255,116
Loans	14%	-	87,162,629	2,383,471	-	-	-	-	-	89,546,100
Trade and other receivables	0%	-	-	-	-	-	-	-	1,547,998	1,547,998
		27,645,812	87,162,629	2,383,471	-	-	-	-	1,547,998	118,739,910
<b>Financial liabilities:</b>										
Trade and other payables	0%	-	-	-	-	-	-	-	779,344	779,344
Bank bill	6%	-	-	-	-	-	2,011,767	-	-	2,011,767
Debentures	8%	-	98,056,360	10,553,000	11,980,000	-	-	-	-	120,589,360
		-	98,056,360	10,553,000	11,980,000	-	2,011,767	-	779,344	123,380,471

The following table details the consolidated entity's exposure to interest rate risk as at 30 June 2005:

2005	Average interest rate	Variable interest rate	Maturity dates			Non interest bearing	Total
			Less than 1 year	1-5 years	More than 5 years		
	%	\$	\$	\$	\$	\$	\$
<b>Financial assets:</b>							
Cash	1%	954,849	-	-	-	-	954,849
Other cash deposits	4%	23,787,962	-	-	-	-	23,787,962
Loans	14%	-	64,290,691	92,284	-	-	64,382,975
Trade and other receivables	0%	-	-	-	-	1,579,256	1,579,256
		24,742,811	64,290,691	92,284	-	1,579,256	90,705,042
<b>Financial liabilities:</b>							
Trade and other payables	0%	-	-	-	-	448,372	448,372
Debentures	7%	-	79,737,441	12,711,300	-	-	92,448,741
		-	79,737,441	12,711,300	-	448,372	92,897,113

### **31. Financial instruments (cont'd)**

#### **(c) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

#### **(d) Fair value of financial instruments**

The consolidated entity's financial assets and financial liabilities, included in the financial statements are carried at amortised cost which approximates fair value. The net fair value of financial assets and financial liabilities is determined in accordance with the discounted cash flow basis.

#### **(e) Liquidity risk management**

The consolidated entity manages liquidity risk by maintaining a minimum cash reserve of 7% of all debentures on issue as per the trust deed. The consolidated entity continuously monitors forecast and actual cash.

### 32. Impacts of the adoption of Australian equivalents to International Financial Reporting Standards

The consolidated entity changed its accounting policies on 1 July 2005 to comply with Australian equivalents to International Financial Reporting Standards ('A-IFRS'). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition, except for financial instruments where the date of transition is 1 July 2005.

An explanation of how the transition from superseded policies to A-IFRS has affected the company and consolidated entity's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

#### Effect of A-IFRS on the balance sheet as at 1 July 2004

Note	Consolidated			Company		
	Superseded policies* \$	Effect of transition to A-IFRS \$	A-IFRS \$	Superseded policies* \$	Effect of transition to A-IFRS \$	A-IFRS \$
<b>Assets</b>						
Cash and cash equivalents	10,829,942	-	10,829,942	10,829,942	-	10,829,942
Trade and other receivables	235,731	-	235,731	235,731	-	235,731
Other assets	12,469	-	12,469	12,469	-	12,469
Loans	36,849,391	-	36,849,391	36,849,391	-	36,849,391
Property held for resale	2,609,301	-	2,609,301	2,609,301	-	2,609,301
Investments accounted for using the equity method	1,850,000	-	1,850,000	1,850,000	-	1,850,000
Deferred tax assets	178,399	129,760	308,159	178,399	129,760	308,159
Property, plant and equipment	23,590	-	23,590	23,590	-	23,590
<b>Total Assets</b>	<b>52,588,823</b>	<b>129,760</b>	<b>52,718,583</b>	<b>52,588,823</b>	<b>129,760</b>	<b>52,718,583</b>
<b>Liabilities</b>						
Trade and other payables	107,748	-	107,748	107,748	-	107,748
Interest bearing liabilities	50,485,604	-	50,485,604	50,485,604	-	50,485,604
Current tax liabilities	421,472	-	421,472	421,472	-	421,472
Deferred tax liabilities	-	12,246	12,246	-	12,246	12,246
Unearned income	700,483	391,714	1,092,197	700,483	391,714	1,092,197
<b>Total liabilities</b>	<b>51,715,307</b>	<b>403,960</b>	<b>52,119,267</b>	<b>51,715,307</b>	<b>403,960</b>	<b>52,119,267</b>
<b>Net assets</b>	<b>873,516</b>	<b>(274,200)</b>	<b>599,316</b>	<b>873,516</b>	<b>(274,200)</b>	<b>599,316</b>
<b>Equity</b>						
Issued capital	245,138	-	245,138	245,138	-	245,138
Retained earnings	628,378	(274,200)	354,178	628,378	(274,200)	354,178
<b>Total equity</b>	<b>873,516</b>	<b>(274,200)</b>	<b>599,316</b>	<b>873,516</b>	<b>(274,200)</b>	<b>599,316</b>

\* Reported financial position for the financial year ended 30 June 2004.

#### Effect of A-IFRS on the income statement for the financial year ended 30 June 2005

Note	Consolidated			Company		
	Superseded policies* \$	Effect of transition to A-IFRS \$	A-IFRS \$	Superseded policies* \$	Effect of transition to A-IFRS \$	A-IFRS \$
Interest revenue	8,323,487	-	8,323,487	8,323,487	-	8,323,487
Interest expense	(5,526,643)	-	(5,526,643)	(5,526,643)	-	(5,526,643)
<b>Net interest revenue</b>	<b>2,796,844</b>	<b>-</b>	<b>2,796,844</b>	<b>2,796,844</b>	<b>-</b>	<b>2,796,844</b>
Non interest revenue	2,087,387	51,605	2,138,992	2,087,387	51,605	2,138,992
Marketing expenses	(395,010)	-	(395,010)	(395,010)	-	(395,010)
Occupancy expenses	(66,831)	-	(66,831)	(66,831)	-	(66,831)
Administration expenses	(2,617,462)	-	(2,617,462)	(2,617,462)	-	(2,617,462)
Other expenses	(7,511)	-	(7,511)	(7,511)	-	(7,511)
<b>Profit before income tax expense</b>	<b>1,797,417</b>	<b>51,605</b>	<b>1,849,022</b>	<b>1,797,417</b>	<b>51,605</b>	<b>1,849,022</b>
Income tax expense	550,535	15,482	566,017	550,535	15,482	566,017
<b>Profit for the period</b>	<b>1,246,882</b>	<b>36,123</b>	<b>1,283,005</b>	<b>1,246,882</b>	<b>36,123</b>	<b>1,283,005</b>

\* Reported financial results for the year ended 30 June 2005.

### 32. Impacts of the adoption of Australian equivalents to International Financial Reporting Standards (cont'd)

Effect of A-IFRS on the balance sheet as at 30 June 2005

	Note	Consolidated			Company		
		Superseded policies <sup>a</sup> \$	Effect of transition to A-IFRS <sup>a</sup> \$	A-IFRS \$	Superseded policies <sup>a</sup> \$	Effect of transition to A-IFRS <sup>a</sup> \$	A-IFRS \$
<b>Assets</b>							
Cash and cash equivalents		24,742,811	-	24,742,811	24,742,811	-	24,742,811
Trade and other receivables		1,579,256	-	1,579,256	1,579,256	-	1,579,256
Other assets		50,395	-	50,395	50,395	-	50,395
Loans		64,382,975	-	64,382,975	64,382,975	-	64,382,975
Property held for resale		3,108,659	-	3,108,659	3,108,659	-	3,108,659
Investments accounted for using the equity method		1,750,000	-	1,750,000	1,750,000	-	1,750,000
Deferred tax assets	a	694,440	102,032	796,472	694,440	102,032	796,472
Property, plant and equipment		65,222	-	65,222	65,222	-	65,222
<b>Total Assets</b>		<b>96,373,758</b>	<b>102,032</b>	<b>96,475,790</b>	<b>96,373,758</b>	<b>102,032</b>	<b>96,475,790</b>
<b>Liabilities</b>							
Trade and other payables		448,372	-	448,372	448,372	-	448,372
Interest bearing liabilities		92,448,741	-	92,448,741	92,448,741	-	92,448,741
Current tax liabilities		703,219	-	703,219	703,219	-	703,219
Provisions		3,255	-	3,255	3,255	-	3,255
Deferred tax liabilities		42,408	-	42,408	42,408	-	42,408
Unearned income	b	697,365	340,109	1,037,474	697,365	340,109	1,037,474
<b>Total liabilities</b>		<b>94,343,360</b>	<b>340,109</b>	<b>94,683,469</b>	<b>94,343,360</b>	<b>340,109</b>	<b>94,683,469</b>
<b>Net assets</b>		<b>2,030,398</b>	<b>(238,077)</b>	<b>1,792,321</b>	<b>2,030,398</b>	<b>(238,077)</b>	<b>1,792,321</b>
<b>Equity</b>							
Issued capital		245,138	-	245,138	245,138	-	245,138
Retained earnings	c	1,785,260	(238,077)	1,547,183	1,785,260	(238,077)	1,547,183
<b>Total equity</b>		<b>2,030,398</b>	<b>(238,077)</b>	<b>1,792,321</b>	<b>2,030,398</b>	<b>(238,077)</b>	<b>1,792,321</b>

\* Reported financial position for the financial year ended 30 June 2005.



### 32. Impacts of the adoption of Australian equivalents to International Financial Reporting Standards (cont'd)

#### Effect of A-IFRS on the cash flow statement for the financial year ended 30 June 2005

There are no material differences between the cash flow statement presented under A-IFRS and the cash flow statement presented under the superseded policies.

#### Notes to the reconciliations of income and equity

##### (a) Income tax

Under superseded policies, the consolidated entity adopted tax-effect accounting principles whereby income tax expense was calculated on pre-tax accounting profits after adjustment for permanent differences. The tax-effect of timing differences, which occur when items were included or allowed for income tax purposes in a period different to that for accounting were recognised at current taxation rates as deferred tax assets and deferred tax liabilities, as applicable.

Under A-IFRS, deferred tax is determined using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases.

The effect of the above adjustments on the deferred tax balances are as follows:

	Consolidated		Company	
	1 Jul 2004 \$	30 Jun 2005 \$	1 Jul 2004 \$	30 Jun 2005 \$
Deferred tax recognised due to the changes in liabilities arising from A-IFRS adoption	117,514	102,032	117,514	102,032
Net increase in deferred tax balances	117,514	102,032	117,514	102,032

##### (b) Unearned Income

Under superseded policies, the consolidated entity recognised all lending income at loan settlement. Under A-IFRS lending income which is received at settlement will be spread over the effective term of the loan.

The effect of the above adjustments on the unearned income balances is as follows:

	Consolidated		Company	
	1 Jul 2004 \$	30 Jun 2005 \$	1 Jul 2004 \$	30 Jun 2005 \$
Unearned income not recognised under previous GAAP	(391,714)	(340,109)	(391,714)	(340,109)
Net increase in unearned income balances	(391,714)	(340,109)	(391,714)	(340,109)

##### (c) Retained earnings

The effect of the above adjustments on retained earnings is as follows:

	Note	Consolidated		Company	
		1 Jul 2004 \$	30 Jun 2005 \$	1 Jul 2004 \$	30 Jun 2005 \$
Adjustments to tax balances	a	117,514	102,032	117,514	102,032
Adjustments to non-interest revenue	b	(391,714)	(340,109)	(391,714)	(340,109)
Total reduction in retained earnings		(274,200)	(238,077)	(274,200)	(238,077)

**33. Changes in the composition of the consolidated entity**

On the 16 December 2005 Angas Securities Limited purchased 172 units, (96.6%) (@ \$25,000 per unit) in Angas Property Fund ATF Angas Property Trust No.3. The total costs of unit holdings held by Angas Securities Limited equalled \$4,300,000. At acquisition, the net assets of the trust comprised cash only. Interest bearing liabilities amounting to \$2,011,767 are a liability of the trust and are secured against real property (classified as investment property) owned by the trust which was valued at \$6,300,000 as at the date of acquisition (16 December 2005).

**34. Commitments and contingent liabilities**

At reporting date the company has no commitments to extend credit or other contracted capital and expenditure commitments other than in the ordinary course of its lending activities. There are no contingent liabilities.

**35. Additional company information**

Angas Securities Limited is an unlisted public company, incorporated and operating in Australia.

**Registered office**

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**Principal place of business**

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