

ANGAS SECURITIES LIMITED

ACN: 091 942 728

Annual report for the financial year ended 30 June 2009

Directors' report

The directors of Angas Securities Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2009. 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 company 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.
Matthew John Hower	Managing Director. Finance industry experience in area of corporate structured finance, joined the Board 29 March 2000.
Robert Bruce Morton	Past General Manager SA & NT ANZ Banking group, past Esanda Finance National General Manager Lending and Operations. Retired from the board 17 July 2008.
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.
Paul Stephen McCarthy	Past General Manager SA & NT ANZ Banking group. Associate of the Chartered Institute of Bankers (City of London), joined the board 6 August 2007.

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report, on pages 2 to 5.

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 activities during 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 purposes including real property investments) and the management of a retail lending portfolio which is funded externally.

Review of operations

The profit attributed to members amounted to \$856,183 (2008 \$2,325,299). This was a decrease over previous years reflecting a decrease in revenue mainly attributable to no sales of land and property held for resale by the consolidated entity and an increase in expenses as a result of impairment losses recognised in relation to investment properties held.

Changes in state of affairs

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

Subsequent events

A dividend of \$600,000 fully franked (imputed credit of \$257,143) was declared and paid on 23 July 2009. This represents a fully franked dividend of 75.59 cents per share. Payment of this dividend will reduce franking credits available for subsequent reporting periods to equity holders by \$257,143.

Future developments

The consolidated entity proposes to maintain its core operating functions whilst continuing to build its asset base and revenue. 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 maintain the retail lending business which generates fee income from retail lending using third party funding sources.

Dividends

In respect of the financial year ended 30 June 2008, as detailed in the directors' report for that financial year, a final dividend of 116.62 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 4 July 2008.

In respect of the financial year ended 30 June 2009, the directors recommended the payment of a final dividend of 75.59 cents per share franked to 100% at 30% corporate income tax rate to the holders of ordinary shares on 23 July 2009.

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 on page 1), the company secretary, Patricia Harkins-Burr, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, 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 company 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 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, 14 board meetings and 10 audit, risk management and compliance committee ("ARMCO") meetings were held.

Directors	Board Meetings		"ARMCO"	
	Held	Attended	Held	Attended
Mr A Luckhurst-Smith	14	13	10	10
Mr M J Hower	14	12	10	6
Mr R B Morton	1	1	N/A	N/A
Mr K J Lyons	14	13	10	10
Mr P S McCarthy	14	10	N/A	N/A

Auditor's independence declaration

The auditor's independence declaration is included on page 6 of the annual report.

Remuneration report

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Angas Securities Limited directors and its senior management for the financial year ended 30 June 2009. The prescribed details for each person covered by this report are detailed below under the following headings:

- director and senior management details
- remuneration policy
- relationship between the remuneration policy and company performance
- remuneration of directors and senior management
- key terms of employment contracts.

Director and senior management details

The following persons acted as directors of the company during or since the end of the financial year:

- Matthew Hower
- Andrew Luckhurst-Smith
- Robert Morton (retired 17 July 2008)
- Kimley Lyons
- Paul McCarthy

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Tricia Harkins-Burr

As the directors are also key management personnel and involved in the day to day activities of the consolidated group, for the purposes of s.300A the directors are also company executives.

Remuneration policy

The Board has determined that Key Management Personnel ("KMP") are defined as the Executive Directors of Angas Securities Limited and the Company Secretary.

As at 30th June 2009 the KMP are:

Name	Position	Appointment Date
Matthew Hower	Managing Director	24 March 2000
Andrew Luckhurst-Smith	Executive Chairman	24 March 2000
Robert Morton	Director	24 March 2000 (Retired 17 July 2008)
Kimley Lyons	Director and ARMCO Chairman	10 May 2002
Paul McCarthy	Director and Credit Committee Chairman	6 August 2007
Tricia Harkins-Burr	Company Secretary	8 July 2004

As each KMP fulfils a different role in the consolidated entity, each KMP will be entitled to an annual review of remuneration. This review will require an independent assessment from an industry expert which will determine that the KMP's remuneration is at a market level for their particular role. The Board will then review the independent expert's assessment and confirm whether it accepts the recommended rate. This is solely at the Board's discretion and the relevant KMP must abstain from voting with regard to their particular recommendation.

In March 2008 an independent consultant advised that remuneration levels for all KMP's were below industry norms for similar roles. This was largely due to the fact that no remuneration increase had occurred in a number of years. The recommended levels were subject to Board approval which was duly provided at the Board meeting on 18 March 2008.

Annual Remuneration as at 30th June 2009:

Name	Annual Salary *	% Paid
Matthew Hower	\$275,000 + 9% Super	85%
Andrew Luckhurst-Smith	\$182,000 + 9% Super	100%
Kimley Lyons	\$172,500 + 9% Super	55%
Paul McCarthy	\$181,500 + 9% Super	100%
Robert Morton	\$181,500 + 9% Super	75%
Tricia Harkins-Burr	\$12,000 + 9% Super	100%

* The term Annual Salary refers to a nominal amount and each executive is only entitled to be paid a percentage of that nominal salary. The percentage paid is calculated based on hours worked as agreed on by the board.

KMP are not entitled to Long Service leave but will be entitled to annual leave in accordance with the agreed Annual Leave Policy for Executive Directors.

No KMP is employed under contract.

Remuneration increases have brought KMP back to the current market with respect to salaries.

Angas Securities has performed consistently well over the past 5 years. Remuneration for KMP has not been linked to that performance, with no automatic annual remuneration increases made. At the same time, the capital base has continued to grow in line with retained earnings, due to caps being put in place in relation to dividends paid.

The Angas Securities Board has determined that from company inception, the most appropriate way to protect its investors and to maximise shareholder wealth is to manage the company in a prudent and conservative manner. Given current global financial conditions and dislocation in a number of financial markets, this approach has been certainly well justified. Accordingly, no change to the dividend policy is envisaged and in any case, this can only be implemented by a Board resolution.

Whilst there has been a broad understanding to that effect, the Board has also formally adopted a Policy on Security Interest over Shareholdings on 22 May 2008. The policy reflects:-

1. Directors will not change their shareholding in ASL without the consent of the Board;
2. Absent sound commercial reasons which are for the benefit of ASL such consent will not normally be forthcoming; and
3. In the event directors' ASL shareholding is changed, the National Stock Exchange ("NSX") will be immediately notified.

Given well-publicised issues arising from margin lending against company shares in the past six months, the Board feels that this policy is both appropriate and prudent. Accordingly, there are no margin loans against any Angas Securities shares. With respect to the company's capital base, it cannot be reduced without full consent of the Board, trustee and an independent auditor's sign off. The independent auditors' sign off is a requirement under the Trust Deed for First Ranking Debenture Stock ('agreed upon procedures') and of the Board.

Relationship between the remuneration policy and company performance

The Board has determined that as the majority of Key Management Personnel are also owners of the business it is not appropriate to link remuneration to company performance. Accordingly, KMP are not entitled to instruments such as performance and equity options. Likewise, there will be no cash incentives or bonus payments available for KMP.

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2009:

	30 June 2005 \$*	30 June 2006 \$	30 June 2007 \$	30 June 2008 \$	30 June 2009 \$
Revenue	10,292,725	16,019,129	20,929,175	21,082,997	22,050,469
Net profit before tax	1,849,022	4,868,660	5,417,995	3,380,056	1,369,173
Net profit after tax	1,283,005	3,368,211	3,739,785	2,325,299	856,183

* Angas Securities Limited adopted the Australian equivalents to International Financial Reporting Standards with effect from 1 July 2004, which resulted in various changes to its accounting policies from that date. The results for the year ended 30 June 2005 are reported in accordance with Angas Securities Limited's previous accounting policies as permitted under Australian accounting standards as applicable at that time.

	30 June 2005	30 June 2006	30 June 2007	30 June 2008	30 June 2009
Share price at start of year ³	-	-	-	-	-
Share price at end of year ³	-	-	-	-	-
Interim dividend ¹	-	-	-	-	-
Final dividend ¹	90,000	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (cents per share) ²	142.56	374.57	436.33	271.48	107.87
Diluted earnings per share (cents per share) ²	142.56	374.57	436.33	271.48	107.87

¹ Franked to 100% at 30% corporate income tax rate.

² Angas Securities Limited adopted the Australian equivalents to International Financial Reporting Standards with effect from 1 July 2004, which resulted in various changes to its accounting policies from that date. The basic and diluted earnings per share for the year ended 30 June 2005 were calculated in accordance with Angas Securities Limited's previous accounting policies as permitted under Australian accounting standards as applicable at that time.

³ Angas Securities Limited shares are not traded in an active market and therefore no price is disclosed.

Angas Securities Limited shares are not traded in an active market and hence there is no link between performance and the share price.

During 2009 Angas Securities Limited repurchased off-market 63,750 shares held by R B Morton for \$1,348,398.

For the year ending 30 June 2008 Angas Securities Limited repurchased off-market 31,874 shares for \$674,199 from R B Morton which was the first tranche of a two tranche transaction.

Remuneration of directors and senior management

	Short-term employee benefits		Post-employment benefits	Other share-based compensation	Total
	Salary	Fees	Superannuation		
2009	\$	\$	\$	\$	\$
Executive officers					
M J Hower	233,745	33,523	23,514	-	290,782
A Luckhurst-Smith	181,997	33,523	18,857	-	234,377
R B Morton	11,344	2,752	1,269	-	15,365
P S McCarthy	181,497	33,523	18,812	-	233,832
K J Lyons	94,872	33,523	11,015	-	139,410
T Harkins-Burr	-	12,000	1,080	-	13,080
					926,846

2008	Short-term employee benefits Salary \$	Fees \$	Post-employment benefits Superannuation \$	Other share-based compensation \$	Total \$
Executive officers					
M J Hower	217,812	17,339	21,164	-	256,315
A Luckhurst-Smith	150,499	17,339	15,105	-	182,943
R B Morton	126,837	17,339	12,976	-	157,152
P S McCarthy	154,317	16,330	15,358	205,163	391,168
K J Lyons	85,593	17,339	9,264	-	112,196
T Harkins-Burr	-	12,000	1,080	-	13,080
					1,112,854

The company secretary fee pertains to remuneration for company secretary duties only.

No director or senior management person appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Bonuses and share-based payments granted as compensation for the current financial year

Bonuses

There are no cash incentives or bonus payments available for KMP.

Employee share option plan

There are no share option plans.

Other share based compensation

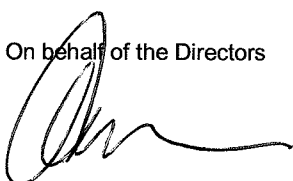
On the 27 June 2008 a related party of P S McCarthy subscribed for 31,875 shares in Angas Securities Limited. These shares are partly paid, with the balance to be paid over the period to 31 July 2013. The share based compensation recorded above represents the difference between the fair value of 31,875 partly paid shares at issue date and the directors' estimate of the fair value of the unpaid component of the shares issued.

Key terms of employment contracts

No KMP are employed under contract.

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



A Luckhurst-Smith
Director

Adelaide, 11 September 2009

The Board of Directors
Angas Securities Limited
Level 14, 26 Flinders Street
ADELAIDE SA 5000

11 September 2009

Dear Board Members

Angas Securities Limited

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 2009, 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
DELOITTE TOUCHE TOHMATSU



J M Burton
Partner
Chartered Accountants

Independent Auditor's Report to the Members of Angas Securities Limited

Report on the Financial Report

We have audited the accompanying financial report of Angas Securities Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 9 to 48.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Angas Securities Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 2 to 5 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Angas Securities Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



J M Burton
Partner
Chartered Accountants
Adelaide, 11 September 2009

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 company and the consolidated entity; and
- (c) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

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, appearing to be 'A Luckhurst-Smith', with a stylized, flowing script.

A Luckhurst-Smith
Director

Adelaide, 11 September 2009

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**Income statement
for the financial year ended 30 June 2009**

	Note	Consolidated		Company	
		2009 \$	2008 \$	2009 \$	2008 \$
Interest revenue	5	16,119,145	15,534,951	16,116,602	15,532,171
Interest expense	6	(11,696,623)	(11,356,235)	(10,904,437)	(10,618,435)
Net interest revenue		4,422,522	4,178,716	5,212,165	4,913,736
Non interest revenue	5	5,931,324	5,548,046	4,823,438	4,492,335
Marketing expenses		(598,145)	(433,616)	(598,145)	(433,616)
Occupancy expenses		(386,377)	(340,688)	(386,377)	(340,688)
Administration expenses		(6,483,540)	(4,810,513)	(6,448,856)	(4,810,513)
Lending waivers		(570,436)	(131,174)	(570,436)	(131,174)
Other expenses		(946,175)	(630,715)	(8,473)	(111,140)
Profit before tax	7	1,369,173	3,380,056	2,023,316	3,578,940
Income tax expense	8	(512,990)	(1,054,757)	(512,990)	(1,054,757)
Profit for the year		856,183	2,325,299	1,510,326	2,524,183
Attributable to:					
Equity holders of the parent		868,222	2,327,925	1,510,326	2,524,183
Minority interest		(12,039)	(2,626)	-	-
		856,183	2,325,299	1,510,326	2,524,183

Notes to the financial statements are included on pages 15 to 48.

**Balance sheet
as at 30 June 2009**

		Consolidated		Company	
	Note	2009 \$	2008 \$	2009 \$	2008 \$
Assets					
Cash and cash equivalents	30(a)	16,920,672	22,779,177	16,675,662	22,575,578
Trade and other receivables	9	5,579,673	3,257,301	5,540,057	3,220,205
Other assets	17	48,460	43,803	11,756	5,663
Loans receivable	11	103,767,581	94,508,340	103,767,581	94,508,340
Current tax asset	8	148,825	-	148,825	-
Deferred tax assets	8	689,701	658,232	689,701	658,232
Property, plant and equipment	13	566,706	511,173	566,706	511,173
Investment property	14	21,336,072	19,520,756	2,500,000	-
Other financial assets	10	-	-	8,000,000	8,000,000
Other intangible assets	16	108,039	53,563	108,039	53,563
Goodwill	15	645,484	645,484	645,484	645,484
Total assets		149,811,213	141,977,829	138,653,811	130,178,238
Liabilities					
Trade and other payables	19	2,176,402	1,808,688	2,012,298	1,766,539
Interest bearing liabilities	20	140,843,757	131,608,992	128,955,990	119,611,224
Current tax liabilities	8	-	564,553	-	564,553
Provisions	21	188,367	146,327	188,367	146,327
Unearned income	22	287,169	69,415	287,169	69,415
Total liabilities		143,495,695	134,197,975	131,443,824	122,158,058
Net assets		6,315,518	7,779,854	7,209,987	8,020,180
Equity					
Issued capital	23	697,351	684,807	697,351	684,807
Retained earnings	24	5,487,390	6,952,231	6,512,636	7,335,373
Equity attributable to equity holders of the parent		6,184,741	7,637,038	7,209,987	8,020,180
Minority interest		130,777	142,816	-	-
Total equity		6,315,518	7,779,854	7,209,987	8,020,180

Notes to the financial statements are included on pages 15 to 48.

**Statement of recognised income and expense
for the financial year ended 30 June 2009**

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Net income recognised directly in equity	-	-	-	-
Profit for the period	856,183	2,325,299	1,510,326	2,524,183
Total recognised income and expense for the period	856,183	2,325,299	1,510,326	2,524,183
Attributable to:				
Equity holders of the parent	868,222	2,327,925	1,510,326	2,524,183
Minority interests	(12,039)	(2,626)	-	-
	856,183	2,325,299	1,510,326	2,524,183

Notes to the financial statements are included on pages 15 to 48.

**Cash flow statement
for the financial year ended 30 June 2009**

	Note	Consolidated		Company	
		2009 \$	2008 \$	2009 \$	2008 \$
Cash flows from operating activities					
Receipts from customers		4,988,687	6,246,438	3,583,824	5,002,166
Payments to suppliers and employees		(7,493,631)	(6,720,502)	(7,252,481)	(6,447,123)
Receipts of property investment distribution		-	-	269,054	196,169
Payment of property investment distribution		(5,045)	(4,521)	-	-
Interest received		13,481,725	16,508,036	13,479,182	16,505,256
Interest paid		(11,419,723)	(11,138,290)	(10,628,976)	(10,392,178)
Income taxes paid		(1,257,837)	(1,737,538)	(1,257,837)	(1,737,538)
Net cash (used in)/provided by operating activities	30(d)	(1,705,824)	3,153,623	(1,807,234)	3,126,752
Cash flows from investing activities					
Proceeds from repayment of mortgage loans		50,921,521	78,547,789	50,921,521	78,547,789
Payments for mortgage loans		(61,969,358)	(93,581,490)	(61,969,358)	(93,581,490)
Proceeds on sale of assets held for sale		50,000	225,000	-	225,000
Proceeds for property held for resale		-	2,925,000	-	2,925,000
Payments for investments		-	-	-	(1,850,000)
Payments for property, plant and equipment		(286,845)	(85,196)	(286,845)	(85,196)
Proceeds from sale of property, plant and equipment		-	-	-	-
Payments for investment properties		-	(4,358,165)	-	-
Net cash used in investing activities		(11,284,682)	(16,327,062)	(11,334,682)	(13,818,897)
Cash flows from financing activities					
Proceeds from borrowings		1,262,810	2,626,000	1,262,810	-
Repayment of borrowings		(148,582)	(93,220)	(148,582)	(93,220)
Proceeds from issue of equity securities		27,879	15,937	27,879	15,937
Proceeds from issue of debt securities		37,595,292	24,944,857	37,705,291	24,994,857
Repayment of debt securities		(29,257,000)	(37,898,739)	(29,257,000)	(37,898,739)
Payment for share buy-back:					
- members of parent entity		(1,348,398)	(674,199)	(1,348,398)	(674,199)
Dividends paid:					
- members of parent entity		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net cash (used in)/provided by financing activities		7,132,001	(12,079,364)	7,242,000	(14,655,364)
Net decrease in cash and cash equivalents		(5,858,505)	(25,252,803)	(5,899,916)	(25,347,509)
Cash and cash equivalents at the beginning of the financial year		22,779,177	48,031,980	22,575,578	47,923,087
Cash and cash equivalents at the end of the financial year	30(a)	16,920,672	22,779,177	16,675,662	22,575,578

Notes to the financial statements are included on pages 15 to 48.

1. General information

Angas Securities Limited (the company) is a public company incorporated in Australia and operating in Adelaide. Debentures issued by Angas Securities Limited are listed on the National Stock Exchange (NSX).

Angas Securities Limited registered office and its principal place of business is as follows:

Registered office	Principal place of business
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Level 14, 26 Flinders Street	Level 14, 26 Flinders Street
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Adelaide SA 5000	Adelaide SA 5000
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TEL: (08) 8410 4343	TEL: (08) 8410 4343
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The entity's principal activity is financial services.

2. Significant 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 Interpretations, and complies with other requirements of the law.

The financial report includes the separate financial statements of the company and the consolidated financial statements of the consolidated entity.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company and the consolidated entity comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 11 September 2009.

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. All amounts are presented in Australian dollars.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the consolidated entity's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of critical judgements in applying the entity's accounting policies, and key sources of estimation uncertainty.

Adoption of new and revised Accounting Standards

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below.

2. Significant accounting policies (cont'd)

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

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) (referred to as 'the consolidated entity' in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the consolidated entity.

All intra-consolidated entity transactions, balances, income and expenses are eliminated in full on consolidation. In the separate financial statements of the Company, intra-consolidated entity transactions ('common control transactions') are generally accounted for by reference to the existing (consolidated) book value of the items. Where the transaction value of common control transactions differ from their consolidated book value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the consolidated entity's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the consolidated entity except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the consolidated entity in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' (2004) are recognised at their fair values at the acquisition date, except for non-current assets (or disposal consolidated entities) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the consolidated entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the consolidated entity's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(c) 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 within operating cash flows.

2. Significant accounting policies (cont'd)

(d) Revenue

Interest revenue

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

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.

Trailing commission

Trailing commission is recognised as revenue as the service is provided. Interest revenue on trailing commission is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Upfront commission

Upfront commission is recognised as revenue when receivable.

(e) 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 balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

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. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

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, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

2. Significant accounting policies (cont'd)

(f) Cash and cash equivalents

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

(g) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

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 impairment.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where 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 impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an 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.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2. Significant accounting policies (cont'd)

(h) Property, plant and equipment

Plant and equipment, leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction 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, including freehold buildings but excluding land.

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 are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

Leasehold improvements	3 years
Plant and equipment	2.5 – 4 years

(i) Investment property

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

(j) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset 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.

(k) Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the consolidated entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition.

Goodwill is subsequently measured at its cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the consolidated entity's cash-generating units, or consolidated entity's of cash-generating units, expected to benefit from the synergies of the business combination. Cash-generating units or consolidated entities of cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

If the recoverable amount of the cash-generating unit (or consolidated entity of cash-generating units) is less than the carrying amount of the cash-generating unit (or consolidated entity's of cash-generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or consolidated entities of cash-generating units) and then to the other assets of the cash generating units pro-rata on the basis of the carrying amount of each asset in the cash-generating unit (or consolidated entities of cash-generating units). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

On disposal of an operation within a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

(l) Intangible assets

Software

Software is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful life. The estimated useful life and amortisation method is reviewed at the end of each reporting period, with any changes being recognised as a change in accounting estimate.

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

Software (including under lease)	2.5 - 4 years
----------------------------------	---------------

2. Significant accounting policies (cont'd)

(m) Employee benefits

A liability is recognised 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.

Liabilities recognised 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.

Liabilities recognised 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

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

(n) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 reimbursement will be received and the amount of the receivable can be measured reliably.

(o) 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 instrument to which the cost 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.

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 costs using effective interest rate method.

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 part of compound instruments.

(p) 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.

(q) Impairment of long-lived assets excluding goodwill

At each reporting date, the company reviews the carrying amounts of its 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 pretax 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value.

2. Significant accounting policies (cont'd)

(r) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the consolidated entity and the company's financial report:

- | | |
|--|--|
| • AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101' | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements', AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127' | Effective for annual reporting period beginning on or after 1 July 2009 |
| • AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8' | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments' | Effective for annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009 |

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the consolidated entity and the company:

- | | |
|--|---|
| • AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123' | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2008-1 'Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations' | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101' | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2008-1 'Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations' | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2008-2 'Amendment to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation' | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project' | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project' | Effective for annual reporting periods beginning on or after 1 July 2009 |
| • AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary Jointly Controlled Entity or Associate' | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2008-8 'Amendments to Australian Accounting Standards – Eligible Hedged Items' | Effective for annual reporting periods beginning on or after 1 July 2009 |
| • AASB 2009-4 'Amendments to Australian Accounting Standards arising from the Annual Improvements Process' | Effective for annual reporting periods beginning on or after 1 July 2009 |
| • AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process' | Effective for annual reporting periods beginning on or after 1 January 2010 |
| • AASB 2009-6 'Amendments to Australian Accounting Standards' | Effective for annual reporting periods beginning on or after 1 January 2009 that end on or after 30 June 2009 |
| • AASB 2009-7 'Amendments to Australian Accounting Standards' | Effective for annual reporting periods beginning on or after 1 July 2009 |
| • AASB 2009-8 'Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions' | Effective for annual reporting periods beginning on or after 1 January 2010 |

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

The following are the critical judgements that management has made in the process of applying the consolidated entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Trailing commission receivable is calculated at a discounted rate of 20.11% (pre-tax) on total retail loans. Management estimates that the average life of a loan is 8 years.

Management uses Independent Valuation in conjunction with other credit assessment material in determining whether a potential borrower has adequate security and in turn determining the likelihood of recovering the loan advance that is to be made. All real property must be valued by an independent licensed valuer appointed by the company before a loan is made. The valuation is used to determine the maximum loan amount to be advanced taking into account the following Loan to Valuation Ratios ("LVR"):

- Residential Land 70%
- Industrial Land 70%
- Commercial Land 70%
- Rural Land 50%
- Construction or Development up to 70% of the value of the development.

The outcome of the analysis will determine whether or not the Company will make a loan, the amount of any such loan in terms of the maximum LVR and the length of the loan term.

In terms of provisioning against loans the credit committee meets on a monthly basis and reviews all loans which have an arrears balance. Once these loans are identified the principal outstanding on the loan is measured against an existing valuation (if a current valuation is not available – ie 12 months old - then a new valuation is requested) to determine whether there is adequate security against the outstanding amount. If the valuation is adequate to cover the principal no provision is made, however if the principal fall short of the valuation then a provision equal to the shortfall is made against the loan.

4. 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. Since 31 May 2007, it has operated a retail lending business.

The company operates predominately in one business segment being the provision of loan funding and one geographical segment, being Australia.

5. Revenue

An analysis of the consolidated entity's revenue for the year, from continuing operations, is as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Interest revenue:				
Bank deposits	1,203,287	2,064,467	1,200,744	2,061,687
Other loans and receivables	14,915,858	13,470,484	14,915,858	13,470,484
	16,119,145	15,534,951	16,116,602	15,532,171
Non interest revenue:				
Loan fee income	3,594,492	3,538,178	3,594,492	3,538,178
Trailing commission & retail lending income	331,646	608,934	331,646	608,934
Upfront commission – retail lending	402,298	-	402,298	-
Distribution received:				
Subsidiaries (Angas Commercial Property Trust)	-	-	299,499	177,365
Rental revenue:				
Operating lease rental revenue:				
Investment properties	1,418,985	1,233,076	11,600	-
Other – serviced office	183,903	167,858	183,903	167,858
	5,931,324	5,548,046	4,823,438	4,492,335

6. Interest expense

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Interest on debentures	10,867,856	10,590,533	10,879,781	10,591,945
Interest on hire purchase	23,803	26,490	23,803	26,490
Interest on portfolio loan	853	-	853	-
Interest on commercial bills	804,111	739,212	-	-
Total interest expense	11,696,623	11,356,235	10,904,437	10,618,435

7. Profit for the year before tax

(a) Other expenses

Profit for the year includes the following expenses:

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Impairment of Investment property	(650,000)	(200,000)	-	-
	(650,000)	(200,000)	-	-
Direct operating expenses of investment properties:				
Properties generating rental income	(117,049)	(82,026)	-	-
	(117,049)	(82,026)	-	-
Depreciation & amortisation of non-current assets	(211,520)	(121,186)	(176,836)	(86,669)
	(211,520)	(121,186)	(176,836)	(86,669)
Operating lease rental expenses	(344,783)	(307,895)	(344,783)	(307,895)
	(344,783)	(307,895)	(344,783)	(307,895)
Employee benefit expense:				
Post employment benefits:				
Defined contribution plans	(204,076)	(184,310)	(204,076)	(184,310)
Other employee benefits	(2,362,305)	(2,065,242)	(2,362,305)	(2,065,242)
	(2,566,381)	(2,249,552)	(2,566,381)	(2,249,552)

8. Income taxes

Income tax recognised in profit or loss

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Tax expense/(income) comprises:				
Current tax expense in respect of the current year	528,572	1,402,977	528,572	1,402,977
Adjustments recognised in the current year in relation to current tax of prior years	15,887	(32,777)	15,887	(32,777)
	544,459	1,370,200	544,459	1,370,200
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	(31,469)	(315,443)	(31,469)	(315,443)
Total tax expense	512,990	1,054,757	512,990	1,054,757

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:

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Profit from operations	1,369,173	3,380,056	2,023,316	3,578,940
Income tax expense calculated at 30%	410,752	1,014,017	606,995	1,073,682
Effect of expenses that are not deductible in determining taxable profit	86,351	73,517	(109,892)	13,852
	497,103	1,087,534	497,103	1,087,534
Adjustments recognised in the current year in relation to the current tax of prior years	15,887	(32,777)	15,887	(32,777)
	512,990	1,054,757	512,990	1,054,757

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.

Current tax assets and liabilities

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current tax assets				
Income tax receivable attributable to:				
Parent entity	148,825	-	148,825	-
	148,825	-	148,825	-
Current tax liabilities				
Income tax payable attributable to:				
Parent entity	-	564,553	-	564,553
	-	564,553	-	564,553

8. Income taxes (cont'd)

Deferred tax balances

Deferred tax assets/(liabilities) arise from the following:

2009	Consolidated		
	Opening balance \$	Charged to income \$	Closing balance \$
Temporary differences			
Investment property	(144,212)	-	(144,212)
Trade and other receivables	-	135,000	135,000
Trade and other payables	43,834	(21,771)	22,063
Provisions	43,898	12,612	56,510
Loans	714,712	(94,372)	630,340
	<u>658,232</u>	<u>31,469</u>	<u>689,701</u>

Presented in the balance sheet as follows:

Deferred tax (liability) attributable to:

Continuing operations

-
-

Deferred tax asset attributable to:

Continuing operations

689,701
689,701
689,701

2008	Consolidated		
	Opening balance \$	Charged to income \$	Closing balance \$
Temporary differences			
Investment property	(91,003)	(53,209)	(144,212)
Trade and other receivables	-	-	-
Trade and other payables	32,412	11,422	43,834
Provisions	32,333	11,565	43,898
Loans	369,047	345,665	714,712
	<u>342,789</u>	<u>315,443</u>	<u>658,232</u>

Presented in the balance sheet as follows:

Deferred tax (liability) attributable to:

Continuing operations

-
-

Deferred tax asset attributable to:

Continuing operations

658,232
658,232
658,232

8. Income taxes (cont'd)

2009	Company		
	Opening balance \$	Charged to income \$	Closing balance \$
Temporary differences			
Investment in subsidiary	(144,212)	-	(144,212)
Trade and other receivables	-	135,000	135,000
Trade and other payables	43,834	(21,771)	22,063
Provisions	43,898	12,612	56,510
Loans	714,712	(94,372)	630,340
	<u>658,232</u>	<u>31,469</u>	<u>689,701</u>

Presented in the balance sheet as follows:

Deferred tax (liability) attributable to:

Continuing operations

-
-

Deferred tax asset attributable to:

Continuing operations

689,701
689,701
689,701

2008	Company		
	Opening balance \$	Charged to income \$	Closing balance \$
Temporary differences			
Investment in subsidiary	(91,003)	(53,209)	(144,212)
Trade and other receivables	-	-	-
Trade and other payables	32,412	11,422	43,834
Provisions	32,333	11,565	43,898
Loans	369,047	345,665	714,712
	<u>342,789</u>	<u>315,443</u>	<u>658,232</u>

Presented in the balance sheet as follows:

Deferred tax (liability) attributable to:

Continuing operations

-
-

Deferred tax asset attributable to:

Continuing operations

658,232
658,232
658,232

9. Trade and other receivables

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Trade receivables (i)	5,231,313	2,060,036	5,191,697	2,022,940
Allowance for doubtful debts	(450,000)	-	(450,000)	-
Security held – Melbourne lease	3,606	3,606	3,606	3,606
Trailing commission receivable	794,754	1,187,369	794,754	1,187,369
Goods and services tax recoverable	-	6,290	-	6,290
	5,579,673	3,257,301	5,540,057	3,220,205

(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 8th day of the month on trade receivables at a rate outlined in the individual loan agreement.

Ageing of past due but not impaired

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
30 – 60 days	8,150	2,393	8,150	2,393
60 – 90 days	-	409,765	-	409,765
90 – 120 days	1,480,323	-	1,480,323	-
120+ days	1,102,059	981,494	1,102,059	981,494
	2,590,532	1,393,652	2,590,532	1,393,652

Movement in the allowance for doubtful debts

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Balance at the beginning of the year	-	-	-	-
Impairment losses recognised on receivables	450,000	-	450,000	-
Impairment losses reversed	-	-	-	-
Balance at the end of the year	450,000	-	450,000	-

In determining the recoverability of a trade receivable, the consolidated entity reviews the current security held on the loan against the loans combines principal and arrears, any shortfall is provided for 100%.

Ageing of impaired trade receivables

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
30 – 60 days	443,755	-	443,755	-
	443,755	-	443,755	-

10. Other financial assets

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Investments carried at cost:				
<u>Non-current</u>				
Investments in subsidiaries (note 28)	-	-	8,000,000	8,000,000
	-	-	8,000,000	8,000,000

11. Loans receivable

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Mortgage Loans (i)	103,971,581	94,768,340	103,971,581	94,768,340
Allowances for doubtful debts	(204,000)	(260,000)	(204,000)	(260,000)
	103,767,581	94,508,340	103,767,581	94,508,340
(i) Loans have a face value of \$105,655,797.				
<u>Maturity analysis</u>				
Not longer than 3 months	75,151,918	29,868,115	75,151,918	29,868,115
Longer than 3 months and not longer than 12 months	28,615,663	60,187,476	28,615,663	60,187,476
Longer than one year not longer than 5 years	-	4,452,749	-	4,452,749
	103,767,581	94,508,340	103,767,581	94,508,340
<u>Loan by security</u>				
Secured by chattel mortgage	935,212	-	935,212	-
Secured by first mortgage	102,832,369	94,508,340	102,832,369	94,508,340
	103,767,581	94,508,340	103,767,581	94,508,340
<u>Loan by security</u>				
Chattel	935,212	-	935,212	-
Commercial loans	27,392,069	19,689,273	27,392,069	19,689,273
Rural loans	13,182,055	17,008,838	13,182,055	17,008,838
Residential loans	62,258,245	56,941,871	62,258,245	56,941,871
Industrial loans	-	868,358	-	868,358
	103,767,581	94,508,340	103,767,581	94,508,340

There is a concentration of several loans to various debtors with a common director and shareholder. These comprise of 9 loans with total advances of \$18.1m. This group of loans comprises of 5 different borrowers and several different trusts and beneficiaries. Each transaction has separate loan terms and separate first mortgage securities.

Movement in the allowance for doubtful debts

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Balance at the beginning of the year	260,000	260,000	260,000	260,000
Impairment losses recognised on loans	204,000	-	204,000	-
Impairment losses reversed	(260,000)	-	(260,000)	-
Balance at the end of the year	204,000	260,000	204,000	260,000

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. The consolidated entity's Loan to Valuation Ratio (LVR) is maintained at a maximum 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.

12. Expired loans

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Expired loans	33,795,906	14,065,504	33,795,906	14,065,504

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

Ageing of expired loan but not impaired

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
30 - 60 days	7,400,947	94,250	7,400,947	94,250
60 - 90 days	-	7,500,000	-	7,500,000
90 - 120 days	12,459,100	-	12,459,100	-
120+ days	13,396,859	4,361,254	13,396,859	4,361,254
Total	33,256,906	11,955,504	33,256,906	11,955,504

The above ageing analysis includes the principal outstanding for all expired loans. Collateral held for expired loans for the period ending 30 June 2009 totaled \$48,082,197 (2008: \$23,232,198). All collateral is in the form of registered first mortgages on land and buildings.

Ageing of impaired expired loans

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
30 - 60 days	539,000	-	539,000	-
120+ days	-	2,110,000	-	2,110,000
Total	539,000	2,110,000	539,000	2,110,000

The above ageing analysis includes the principal outstanding for all impaired expired loans. The above analysis consists of one loan which was impaired by \$204,000 in the current year (2008: one loan which was impaired by \$260,000). Collateral held in the form of a first registered mortgage over land and building.

Collateral and other credit enhancements obtained

During the financial year the consolidated entity gained possession of numerous properties relating to fifteen loans with a total balance owing at report date of \$29,836,893 (2008: \$3,485,149, two properties). Of the fifteen loans two loans have been paid out in full and discharged subsequent to 30 June 2009. In regards to the remaining loans Management believe that they will all be recovered by 30 June 2010 if not sooner.

All loans are for first mortgages over real property and are therefore not readily convertible into cash. Management's process for disposing of such assets is to firstly allow the owner the opportunity to sell the property and repay the debt owed, however, if this is unsuccessful then the consolidated entity will take control of the asset and sell the property on the open market.

13. Property, plant and equipment

Consolidated				
	Plant and equipment at cost \$	Equipment under finance lease 1 at cost \$	Equipment under finance lease 2 at cost \$	Total \$
Gross carrying amount				
Balance at 1 July 2007	279,284	347,303	-	626,587
Additions	33,842	-	-	33,842
Disposals	(684)	-	-	(684)
Balance at 1 July 2008	312,442	347,303	-	659,745
Additions	169,447	-	127,569	297,016
Disposals – sale & leaseback	(135,914)	-	-	(135,914)
Balance at 30 June 2009	345,975	347,303	127,569	820,847
Accumulated depreciation				
Balance at 1 July 2007	(78,315)	(10,822)	-	(89,137)
Disposals	585	-	-	585
Depreciation expense	(29,982)	(30,038)	-	(60,020)
Balance at 1 July 2008	(107,712)	(40,860)	-	(148,572)
Depreciation expense	(63,598)	(34,240)	(16,076)	(113,914)
Disposals – sale & leaseback	8,345	-	-	8,345
Balance at 30 June 2009	(162,965)	(75,100)	(16,076)	(254,141)
Net book value				
As at 30 June 2008	204,730	306,443	-	511,173
As at 30 June 2009	183,010	272,203	111,493	566,706

Company				
	Plant and equipment at cost \$	Equipment under finance lease 1 at cost \$	Equipment under finance lease 2 at cost \$	Total \$
Gross carrying amount				
Balance at 1 July 2007	279,284	347,303	-	626,587
Additions	33,842	-	-	33,842
Disposals	(684)	-	-	(684)
Balance at 1 July 2008	312,442	347,303	-	659,745
Additions	169,447	-	127,569	297,016
Disposals – sale & leaseback	(135,914)	-	-	(135,914)
Balance at 30 June 2009	345,975	347,303	127,569	820,847
Accumulated depreciation				
Balance at 1 July 2007	(78,315)	(10,822)	-	(89,137)
Disposals	585	-	-	585
Depreciation expense	(29,982)	(30,038)	-	(60,020)
Balance at 1 July 2008	(107,712)	(40,860)	-	(148,572)
Depreciation expense	(63,598)	(34,240)	(16,076)	(113,914)
Disposals – sale & leaseback	8,345	-	-	8,345
Balance at 30 June 2009	(162,965)	(75,100)	(16,076)	(254,141)
Net book value				
As at 30 June 2008	204,730	306,443	-	511,173
As at 30 June 2009	183,010	272,203	111,493	566,706

There was no depreciation during the period that was capitalised as part of the cost of other assets.

14. Investment property

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
At cost				
Balance at beginning of financial year	19,520,756	15,397,108	-	-
Acquisitions	2,500,000	4,358,165	2,500,000	-
Depreciation	(34,684)	(34,517)	-	-
Other changes - Impairment	(650,000)	(200,000)	-	-
Balance at end of financial year	21,336,072	19,520,756	2,500,000	-

The value of the investment properties are determined by using the cost model. In December 2008 Angas Securities Limited foreclosed on a property held in Wahroonga NSW. The property was valued at \$2.5m at the time of the foreclosure. The depreciation method used on investment properties held in Angas Commercial Property Trust is the straight line method over a period of 50 years.

The fair value of 32 Murdoch Circuit, Acacia Ridge is \$6.3m (2008: \$6.3m) based on a market opinion received by Wright Property (June 2009). The fair value of Lot 4, 17 Breene Place Morningside is \$8.395m (2008: \$8.5m) based on a market opinion received by Chase Commercial and Wright Properties (June 2009). The market value of 107 Reichart Road Winnellie is \$4.04m (2007: \$4.36m) as valued by Colliers International (April 2009). In 2008/09 53-55 Junction Road, Wahroonga NSW was not revalued, the last valuation held on file was as at May 2008 for \$2.5m.

15. Goodwill

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Gross carrying amount				
Balance at beginning of financial year	645,484	645,484	645,484	645,484
Additional amounts recognised from business combinations occurring during the period	-	-	-	-
Balance at end of financial year	645,484	645,484	645,484	645,484
Accumulated impairment losses				
Balance at beginning of financial year	-	-	-	-
Impairment losses for the year (i)	-	-	-	-
Balance at end of financial year	-	-	-	-
Net book value				
At the beginning of the financial year	645,484	645,484	645,484	645,484
At the end of the financial year	645,484	645,484	645,484	645,484

- (i) During the financial year, the consolidated entity assessed the recoverable amount of goodwill, and determined that goodwill associated with the acquisition of API Home Loans was not impaired.

API Home Loans does not trade in an active market and in turn the recoverable amount is based on value in use. Management is unable to rely on past experience due to API Home Loan being acquired on 31 May 2007. Therefore the following are the assumptions used by management in measuring the recoverable amount of the cash-generating unit containing goodwill.

A cash flow was prepared over a 5 year period using a post-tax discount rate of 14.37% and an implied pre-tax discounted rate of 29.03%. The first year of the cash flow was based on internal budgets prepared for this business unit for the year ending 2009/10 and going forward a 3% growth rate was factored in per annum for the remaining years. The main drivers of the impairment valuation were; growth in sources of revenue through API's relationship with FAST; pre-existing loans from GE expected to go down to zero over the projected period; and margin improvements reflecting the relatively fixed cost base of API.

16. Other intangible assets

Gross carrying amount

Balance at 1 July 2007	92,697	-	2	92,699
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2008	92,697	-	2	92,699
Additions	92,479	118,195	-	210,674
Disposals – sale & leaseback	-	(96,745)	-	(96,745)
Balance at 30 June 2009	185,176	21,450	2	206,628

Accumulated amortisation and impairment

Balance at 1 July 2007	(12,487)	-	-	(12,487)
Amortisation expense	(26,649)	-	-	(26,649)
Balance at 30 June 2008	(39,136)	-	-	(39,136)
Amortisation expense	(56,250)	(7,468)	-	(63,718)
Disposal – sale & leaseback	-	4,265	-	4,265
Balance at 30 June 2009	(95,386)	(3,203)	-	(98,589)

Net book value

As at 30 June 2008	53,561	-	2	53,563
As at 30 June 2009	89,790	18,247	2	108,039

Consolidated				
Software under lease \$	Software \$	Copyright & Website \$	Total \$	
92,697	-	2	92,699	
-	-	-	-	
-	-	-	-	
92,697	-	2	92,699	
92,479	118,195	-	210,674	
-	(96,745)	-	(96,745)	
185,176	21,450	2	206,628	
(12,487)	-	-	(12,487)	
(26,649)	-	-	(26,649)	
(39,136)	-	-	(39,136)	
(56,250)	(7,468)	-	(63,718)	
-	4,265	-	4,265	
(95,386)	(3,203)	-	(98,589)	
53,561	-	2	53,563	
89,790	18,247	2	108,039	

Gross carrying amount

Balance at 1 July 2007	92,697	-	2	92,699
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2008	92,697	-	2	92,699
Additions	92,479	118,195	-	210,674
Disposals – sale & leaseback	-	(96,745)	-	(96,745)
Balance at 30 June 2009	185,176	21,450	2	206,628

Accumulated amortisation and impairment

Balance at 1 July 2007	(12,487)	-	-	(12,487)
Amortisation expense	(26,649)	-	-	(26,649)
Balance at 30 June 2008	(39,136)	-	-	(39,136)
Amortisation expense	(56,250)	(7,468)	-	(63,718)
Disposal – sale & leaseback	-	4,265	-	4,265
Balance at 30 June 2009	(95,386)	(3,203)	-	(98,589)

Net book value

As at 30 June 2008	53,561	-	2	53,563
As at 30 June 2009	89,790	18,247	2	108,039

Company				
Software under lease \$	Software \$	Copyright & Website \$	Total \$	
92,697	-	2	92,699	
-	-	-	-	
-	-	-	-	
92,697	-	2	92,699	
92,479	118,195	-	210,674	
-	(96,745)	-	(96,745)	
185,176	21,450	2	206,628	
(12,487)	-	-	(12,487)	
(26,649)	-	-	(26,649)	
(39,136)	-	-	(39,136)	
(56,250)	(7,468)	-	(63,718)	
-	4,265	-	4,265	
(95,386)	(3,203)	-	(98,589)	
53,561	-	2	53,563	
89,790	18,247	2	108,039	

17. Other assets

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Prepayments	48,460	43,803	11,756	5,663
	48,460	43,803	11,756	5,663

18. Assets pledged as security

In accordance with the security arrangements of liabilities, as disclosed in note 20 to the financial statements, all assets of the company, except goodwill, plant & equipment under lease and deferred tax assets, have been pledged as security. The holder of the security does not have the right to sell or repledge the assets other than in an event of default.

19. Trade and other payables

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Trade payables (i)	2,176,402	1,808,688	2,012,298	1,766,539
	2,176,402	1,808,688	2,012,298	1,766,539

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

20. Interest bearing liabilities

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Secured – at amortised cost				
Debentures	127,403,797	119,283,260	127,563,797	119,333,260
Bank bills	12,047,767	12,047,767	-	-
Portfolio loan	1,000,770	-	1,000,770	-
Hire purchase	391,423	277,965	391,423	277,964
	140,843,757	131,608,992	128,955,990	119,611,224
Maturity analysis				
Not longer than 3 months	36,278,660	25,829,482	36,358,660	25,829,482
Longer than 3 months and not longer than 12 months	77,427,702	79,157,185	77,507,702	79,207,185
Longer than 1 year and not longer than 5 years	27,137,395	26,622,325	15,089,628	14,574,557
	140,843,757	131,608,992	128,955,990	119,611,224

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 or 3 years, with interest rates fixed for the term of the debenture. Interest is payable monthly.

21. Provisions

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Employee benefits (i)	188,367	146,327	188,367	146,327
	188,367	146,327	188,367	146,327

(i) The provision for employee benefits includes \$140,115 of annual leave and \$48,252 of long service leave entitlements accrued. Over the next 12 months managements estimates that 90% of the annual leave provision will be taken and 0% long service leave.

22. Unearned income

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Funds received in advance	287,169	69,415	287,169	69,415
	287,169	69,415	287,169	69,415

23. Issued capital

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
761,876 fully paid ordinary shares (2008: 825,626)	653,535	668,870	653,535	668,870
31,875 partly paid ordinary shares (2008: 31,875)	43,816	15,937	43,816	15,937
	697,351	684,807	697,351	684,807

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.

	2009		2008	
	No.	\$	No.	\$
Fully paid ordinary shares				
Balance at beginning of financial year	825,626	668,870	857,500	730,372
Issue of shares	-	-	-	-
Share buy-back	(63,750)	(15,335)	(31,874)	(61,502)
Balance at end of financial year	761,876	653,535	825,626	668,870

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

During the period, the consolidated entity completed an off-market share buy-back to buy-back shares owned by R B Morton and his associated entities.

	2009		2008	
	No.	\$	No.	\$
Partly paid ordinary shares				
Balance at beginning of financial year	31,875	15,937	-	-
Installment on allotment	-	27,879	-	-
Allotment	-	-	31,875	15,937
Balance at end of financial year	31,875	43,816	31,875	15,937

Partly paid ordinary shares carry one vote per share.

75% of all dividends paid to shareholders holding partly paid shares will be retained by the Company and applied against any unpaid amounts owing on the partly paid shares whether or not a call has been made for unpaid capital. The remaining 25% of dividends will be paid to the owner of the partly paid shares.

27. Leases

Finance leases

Leasing arrangements

Finance leases relate to property, plant and equipment with a lease term of 4 years.

Finance lease liabilities

	Lease payments			
	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
No later than 1 year	183,189	100,907	183,189	100,907
Later than 1 year and not later than 5 years	208,233	177,058	208,233	177,058
	391,422	277,965	391,422	277,965

Operating leases

Leasing arrangements

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

Non-cancellable operating lease payments

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Not longer than 1 year	255,603	232,464	255,603	232,464
Longer than 1 year and not longer than 5 years	274,170	509,216	274,170	509,216
	529,773	741,680	529,773	741,680

Operating leases

Leasing arrangements

The consolidated entity has three operating leases for terms of 9, 10 and 11 years on land and building held at Acacia Ridge QLD, Winnellie NT, and Morningside QLD.

Non-cancellable future minimum lease receivable

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Not longer than 1 year	1,475,403	1,424,663	-	-
Longer than 1 year and not longer than 5 years	6,447,971	6,226,083	-	-
Longer than 5 years	3,688,581	5,385,873	-	-
	11,611,955	13,036,619	-	-

28. Subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest	
		2009 %	2008 %
Angas Commercial Property Trust	Australia	98.2	98.2

29. Acquisition of subsidiary

Names of businesses acquired	Principal activity	Date of acquisition	Proportion of shares acquired (%)	Cost of acquisition \$'000
2009				
Opening balance 1 July 2008	Investment			8,000,000
Additional units acquired	Investment			-
				8,000,000
2008				
Opening balance 1 July 2007	Investment		97.6	6,150,000
Additional units acquired	Investment	17/12/07	0.6	1,850,000
				8,000,000

No additional units were taken up in 2008/09 (2007/08 units costing \$1.85m were taken up to allow the entity to purchase another investment property in Winnellie Northern Territory).

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	
	2009	2008	2009	2008
	\$	\$	\$	\$
Cash – Trading account (at call)	4,844,365	8,385,083	4,599,356	8,181,484
Cash – Debenture fund (at call)	5,575,015	1,197,722	5,575,015	1,197,722
Cash – ANZ (term deposit)	-	3,195,000	-	3,195,000
Cash – BankWest (term deposit)	2,000,000	2,000,000	2,000,000	2,000,000
Cash – Adelaide Bank (negotiable certificate)	4,500,000	5,000,000	4,500,000	5,000,000
Cash – Suncorp (term deposit)	-	3,000,000	-	3,000,000
Cash on hand	1,292	1,372	1,291	1,372
	16,920,672	22,779,177	16,675,662	22,575,578

(b) Financing facilities

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Secured bank bill facilities:				
• amount used	12,047,767	12,047,767	-	-
• amount unused	3,233	3,233	-	-
	12,051,000	12,051,000	-	-
Portfolio Loan:				
• amount used	1,000,000	-	1,000,000	-
• amount unused	-	-	-	-
	1,000,000	-	1,000,000	-
Hire purchase facility:				
• amount used	702,809	440,000	702,809	440,000
• amount unused	-	-	-	-
	702,809	440,000	702,809	440,000

(c) Cash balances not available for use

The Debenture Fund account has at all times a cash balance of at least 5% of all debenture funds issued pursuant to the company's Prospectus and Trust Deed for First Ranking Debenture Stock.

The consolidated entity must hold \$200,000 in cash in the consolidated trading account for working capital relating to Angas Commercial Property Trust.

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	
	2009	2008	2009	2008
	\$	\$	\$	\$
Profit for the year	856,183	2,325,300	1,510,326	2,524,184
(Gain)/Loss on sale of property held for resale	-	70,240	-	70,240
Impairment of assets	650,000	200,000	-	-
Non-cash interest revenue received on foreclosure of mortgage loan	(390,000)	-	(390,000)	-
Depreciation and amortisation	211,520	121,186	176,836	86,669
Change in tax balances	(744,847)	(682,782)	(744,847)	(682,782)
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:				
(Increase)/decrease in assets:				
Trade and other receivables	(2,322,372)	835,642	(2,319,852)	824,448
Other assets	(4,657)	(10,495)	(6,093)	(2,187)
Increase/(decrease) in liabilities:				
Trade and other payables	317,714	(889,824)	245,759	(878,178)
Provisions	42,040	38,551	42,040	38,551
Other liabilities	(321,405)	1,145,805	(321,403)	1,145,807
Net cash from operating activities	(1,705,824)	3,153,623	(1,807,234)	3,126,752

31. Financial instruments

(a) Capital risk management

The consolidated entity manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders. 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's overall strategy remains unchanged from the previous period.

Angas Commercial Property Trust which is a subsidiary of the consolidated entity currently holds three bank bills which are secured against two investment properties held in Queensland and one investment property held in the Northern Territory. In 2009 the company foreclosed on a property in Wahroonga NSW and, as a result, obtained a Portfolio loan secured against this property.

(b) Categories of financial instruments

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Financial assets				
Cash and cash equivalents	16,920,672	22,779,177	16,675,662	22,575,579
Loans and receivables	109,347,254	97,765,641	109,307,638	97,728,545
Financial liabilities				
At amortised cost	143,020,159	133,417,680	130,968,288	121,377,765

(c) Financial risk management objectives

The consolidated entity's activities expose it to financial risks, market risk, credit risk and liquidity risk. The consolidated entity's overall risk management program seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Risk management is carried out by the Audit Risk Management and Compliance Committee ("ARMCO") and the Credit Committee (specific to lending).

ARMCO is a committee established by the Board of Directors of the consolidated entity to assist the company in the effective discharge of its corporate governance and oversight responsibilities. The Credit Committee focuses on assessing the risk and credit worthiness of all borrowings prior to a letter of offer being issued.

Management minimises market risk by maintaining a maximum loan to value ratio across the total loan portfolio of 70% in conjunction with only lending on first mortgage loans. In addition all real property must be valued by an independent licensed valuer appointed by the Company before any loan is made.

The Company must retain a liquidity reserve which comprises 5% of all debenture funds to be held in liquid assets. In addition to the 5% liquid asset reserve held in the current financial year management resolved to maintain an additional \$10 million in cash reserves to strengthen liquidity.

(d) Market risk

The consolidated entity's activities expose it primarily to the financial risks of changes in interest rates (refer note 31(f)) and, to a lesser degree, foreign currency exchange rates (refer note 31(e)).

At a consolidated entity and company level, market risks are managed through sensitivity analysis and stress scenario analysis.

There has been no change to the consolidated entity's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

31. Financial instruments (cont'd)

(e) Foreign currency risk management

Foreign currency sensitivity analysis

The consolidated entity is only exposed to the New Zealand dollar. The consolidated entity currently only has one loan in New Zealand dollars. The specific loan in question is for \$2.7 million New Zealand dollars. As at 30 June 2009 there was no forward contract in place in relation to this loan. The New Zealand dollar loan was revalued at the spot rate as at 30 June 2009.

(f) Interest rate risk management

The consolidated entity has interest bearing assets and liabilities. Interest rate risk on the assets is managed by investing in an Australian bank, or ADI or a subsidiary of same for a maximum of 12 months on funds which are not required in the short term. All other funds are either held in cash management accounts or 30 day rolling facilities.

Interest bearing liabilities include bank bills, debentures, a portfolio loan, and hire purchase facilities. Bank bills, the portfolio loan and the hire purchase facility are at fixed rates and are not sensitive to market movements; however the debentures are set at a variable interest rate reliant on the time of investment.

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

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure of cash and cash equivalent with variable interest rates. A +/- 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the consolidated entity's:

- net profit would increase/(decrease) by \$581,648 (2008: increase/(decrease) by \$626,458). These movements are as a result of lower/higher interest income from these financial assets.
- equity would increase/(decrease) by nil (2008: increase/(decrease) by nil).

	Variable interest rate		Interest rate risk -0.5%		Interest rate risk +0.5%	
	2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$
Financial assets						
Consolidated						
Cash	5.32%	6.34%	(19,632)	(33,930)	19,632	33,930
Other cash deposits	5.54%	7.35%	(89,815)	(111,240)	89,815	111,240
Loans	15.79%	13.99%	(472,201)	(481,288)	472,201	481,288
			(581,648)	(626,458)	581,648	626,458
Company						
Cash	5.47%	6.34%	(18,851)	(33,276)	18,851	33,276
Other cash deposits	5.54%	7.35%	(89,815)	(111,240)	89,815	111,240
Loans	15.79%	13.99%	(472,201)	(481,288)	472,201	481,288
			(580,867)	(625,804)	580,867	625,804

31. Financial instruments (cont'd)

(g) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity's credit risks fall into the following categories:

- Cash and other deposits;
- loans; and
- trade and other receivables.

Under the Trust Deed for First Ranking Debenture Stock the consolidated entity can only deposit/invest in one or more of the following

- An Australian bank, or ADI or a subsidiary of same;
- A public authority;
- Securities, promissory notes and bills of exchange which have a ready market;
- A cash management trust; and
- A cash common fund within the meaning of the Trustee Companies ACT (SA) 1988 or equivalent legislation.

The consolidated entity minimises loan and trade and other receivables risk by only issuing loans on a first mortgage basis with a maximum loan to value ratio of 70% (50% on rural land). By maintaining a maximum loan to value ratio of 70% the risk of recoverability is greatly reduced. Other lending criteria which the credit committee takes into consideration before issuing a letter of offer include:

- Maintaining a spread of mortgage investments with conservative lending margins;
- Applying proven and prudent mortgage selection criteria;
- Ensuring that every security property is valued by an independent licensed valuer engaged by the company prior to any advance being approved;
- Requiring building insurance (at replacement cost) to be provided by Certificate of Currency from an approved insurer noting the companies interest as lender on each policy; and
- Weighting the portfolio to take account of geographic and investment spread.

Further more 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 has a concentration of several loans to various debtors with a common director and shareholder. These comprise of 9 loans with total advances of \$18.1m. This group of loans comprises of 5 different borrowers and several different trusts and beneficiaries. Each transaction has separate loan terms and separate first mortgage securities.

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.

31. Financial instruments (cont'd)

(h) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework. The consolidated entity manages liquidity risk by maintaining a minimum cash reserve of 5% of all debentures on issue as per the Trust Deed for First Ranking Debenture Stock and a further decision by the board to hold an additional amount of \$10 million is also held in cash. The consolidated entity continuously monitors forecast and actual cashflows.

Liquidity and interest risk tables

The following tables detail the company's and the consolidated entity's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated entity can be required to pay.

Consolidated

	Average interest rate %	Less than 1 year \$	1-2 years \$	2-3 years \$	3-4 years \$	4-5 years \$
2009						
Trade and other payables	0%	2,176,396	-	-	-	-
Bank bills	6.67%	884,221	2,821,779	7,959,928	2,727,342	-
Hire purchase	7.46%	211,507	161,355	53,166	-	-
Portfolio loan	5.19%	1,052,710	-	-	-	-
Debentures	8.91%	117,250,309	5,331,836	12,344,392	-	-
		121,575,143	8,314,970	20,357,486	2,727,342	-
2008						
Trade and other payables	0%	1,808,688	-	-	-	-
Bank bills	7%	884,221	884,221	2,821,779	7,959,928	2,727,342
Hire purchase	8%	119,381	119,381	69,639	-	-
Debentures	8.41%	109,656,504	10,705,639	5,908,843	-	-
		112,468,794	11,709,241	8,800,261	7,959,928	2,727,342

Company

	Average interest rate %	Less than 1 year \$	1-2 years \$	2-3 years \$	3-4 years \$	4-5 years \$
2009						
Trade and other payables	0%	2,012,298	-	-	-	-
Hire purchase	7.46%	211,507	161,355	53,166	-	-
Portfolio loan	5.19%	1,052,710	-	-	-	-
Debentures	8.91%	117,415,314	5,331,836	12,344,392	-	-
		120,691,829	5,493,191	12,397,558	-	-
2008						
Trade and other payables	0%	1,766,539	-	-	-	-
Hire purchase	8%	119,381	119,381	69,639	-	-
Debentures	8.41%	109,709,228	10,705,639	5,908,843	-	-
		111,595,148	10,825,020	5,978,482	-	-

31. Financial instruments (cont'd)

The following table details the company's and the consolidated entity's financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets.

Consolidated

	Average interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5+ years \$
2009						
Cash	5.32%	4,845,656	-	-	-	-
Other cash deposits	5.54%	12,075,015	-	-	-	-
Loans	15.79%	62,370,551	14,050,349	32,718,328	-	-
Trade and other receivables	0%	4,815,762	59,535	197,266	734,422	234,140
		84,106,984	14,109,884	32,915,594	734,422	234,140
2008						
Cash	6%	8,386,455	-	-	-	-
Other cash deposits	7%	14,392,722	-	-	-	-
Loans	14%	24,389,481	6,116,131	66,878,601	5,123,552	-
Trade and other receivables	0%	2,089,721	39,579	178,105	949,895	-
		49,258,379	6,155,710	67,056,706	6,073,447	-

Company

	Average interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5+ years \$
2009						
Cash	5.47%	4,600,647	-	-	-	-
Other cash deposits	5.54%	12,075,015	-	-	-	-
Loans	15.79%	62,370,551	14,050,349	32,718,328	-	-
Trade and other receivables	0	4,776,146	59,535	197,266	734,422	234,140
		83,822,359	14,109,884	32,915,594	734,422	234,140
2008						
Cash	6%	8,182,857	-	-	-	-
Other cash deposits	7%	14,392,722	-	-	-	-
Loans	14%	24,389,481	6,116,131	66,878,601	5,123,552	-
Trade and other receivables	0%	2,052,625	39,579	178,105	949,895	-
		49,017,685	6,155,710	67,056,706	6,073,447	-

32. Key management personnel compensation

Details of key management personnel

The directors and other members of key management personnel of the consolidated entity during the year were:

- A Luckhurst-Smith (Executive Chairman)
- M J Hower (Managing Director)
- K J Lyons (Executive Director)
- R B Morton (Executive Director) (retired 17 July 2008)
- P S McCarthy (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.

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 directors' remuneration.

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

Key management personnel compensation

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

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Short-term employee benefits	840,299	1,025,907	840,299	1,025,907
Post-employment benefits	73,467	73,867	73,467	73,867
	913,766	1,099,774	913,766	1,099,774

The compensation of each member of the key management personnel of the consolidated entity for the current year is set out below:

	Short-term employee benefits Salary	Directors Fees	Post-employment benefits Superannuation	Other share-based compensation	Total
2009	\$	\$	\$	\$	\$
Executive officers					
M J Hower	233,745	33,523	23,514	-	290,782
A Luckhurst-Smith	181,997	33,523	18,857	-	234,377
R B Morton	11,344	2,752	1,269	-	15,365
P S McCarthy	181,497	33,523	18,812	-	233,832
K J Lyons	94,872	33,523	11,015	-	139,410
					913,766

	Short-term employee benefits Salary	Directors Fees	Post-employment benefits Superannuation	Other share-based compensation	Total
2008	\$	\$	\$	\$	\$
Executive officers					
M J Hower	217,812	17,339	21,164	-	256,315
A Luckhurst-Smith	150,499	17,339	15,105	-	182,943
R B Morton	126,837	17,339	12,976	-	157,152
P S McCarthy	154,317	16,330	15,358	205,163	391,168
K J Lyons	85,593	17,339	9,264	-	112,196
					1,099,774

Contracts for services of key management personnel

No key management personnel are employed under contract.

33. Related party transactions

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of units held in subsidiaries are disclosed in note 28 to the financial statements.

(b) Transactions with key management personnel

i. Key management personnel compensation

Details of key management personnel compensation are disclosed in note 32 to the financial statements.

ii. Key management personnel equity holdings

Fully paid ordinary shares of Angas Securities Limited

	Balance at 1 July No.	Net other change No.	Balance at 30 June No.
2009			
A Luckhurst-Smith	191,248	(19,272)	171,976
M J Hower	406,404	17,772	424,176
R B Morton	63,750	(63,750)	-
K J Lyon	95,624	1,500	97,124
P S McCarthy	-	-	-
2008			
A Luckhurst-Smith	191,248	-	191,248
M J Hower	406,404	-	406,404
R B Morton	95,624	(31,874)	63,750
K J Lyon	95,624	-	95,624
P S McCarthy	-	-	-

Partly paid ordinary shares of Angas Securities Limited

	Balance at 1 July No.	Net other change No.	Balance at 30 June No.
2009			
P S McCarthy	31,875	-	31,875
2008			
P S McCarthy	-	31,875	31,875

33. Related party transactions (cont'd)

iii. Other transactions with key management personnel of the Consolidated entity

Profit for the year includes the following items of revenue and expense that resulted from transactions, other than compensation, loans or equity holdings, with key management personnel or their related entities:

	Consolidated	
	2009	2008
	\$	\$
Consolidated revenue includes the following amounts arising from transactions with key management personnel of the consolidated entity or their related parties:		
Serviced office	183,903	167,858
Upfront & trail commission	17,154	-
Gain on sale of Marina Berth	-	33,636
	201,057	201,494
Consolidated profit includes the following expenses arising from transactions with key management personnel of the consolidated entity or their related parties:		
Interest expense	22,006	23,519
Legal consultancy	94,191	145,261
Property inspection fees	3,597	28,340
Commissions	30,116	18,555
Distributions – Angas Commercial Property Trust	3,744	2,708
	153,654	218,383
Total assets arising from transactions other than loans and amounts receivable in relation to equity instruments with key management personnel or their related parties:		
Receivables – Trailing commission	21,558	2,709
	21,558	2,709

(c) Transactions with other related parties

Angas Securities Limited charges 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 2009 financial year \$171,093 (2008: \$155,858) was charged to Hower Corporation Pty Ltd in the form of a service fee. A smaller service fee was also charged to Mr A Luckhurst-Smith for secretarial services provided. For the 2009 financial year \$12,810 (2008: \$12,000) was charged to Mr A Luckhurst-Smith. The service fees are based on percentage of usage which is reviewed by the board on an annual basis.

In 2009 the retailing lending business received \$1,801 (2008: Nil) in trail commission from GE Finance and \$15,353 (2008: Nil) in upfront commission from FAST in relation to a residential home loan held by Andrew Luckhurst-Smith.

In 2008 Angas Securities Limited agreed to sell a Marina Berth which was originally acquired at a cost of \$191,364 to M J Hower for \$225,000. The price agreed upon was based on an Independent valuation prepared by Valcorp, Adelaide.

Interest was paid to the following directors and to parties related to them on Debenture funds invested with Angas Securities Limited:

• K J Lyons	\$ 8,571	(2008: \$6,711)
• R B Morton	Nil	(2008: \$14,867)
• P S McCarthy	\$ 835	(2008: \$328)
• Barker Mortgages Pty Ltd	\$ 676	(2008: \$200)
(Hower, Luckhurst-Smith, Morton & Lyons are shareholders of this company)		
• Angas Commercial Property Trust	\$ 11,924	(2008: \$1,413)

All debenture interest is based on current advertised rate. Any rate paid above advertised rates must be approved by two directors who are not parties to the debenture investment.

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 \$30,116 (2008: \$18,555). Fees were based on standard rates for services provided on each loan. Trail commission is based on current market rates.

Amounts paid to Mr A Luckhurst-Smith for legal consultancy fees for the year were \$94,191 (2008: \$145,261). Fees were based on standard rates for each service provided and were fully recovered by the consolidated entity from borrowers.

Property inspection fees were paid to Mr R Morton and Mr K J Lyons. Amounts paid for the year was nil (2008: \$6,649) to Mr R Morton and \$3,597 (2008: \$21,691) to Mr K J Lyons. Fees were based on standard rates for each service provided. Property inspection fees are based on current market rates and were fully recovered by the consolidated entity from borrowers.

33. Related party transactions (cont'd)

Distributions were paid to the following directors and to parties related to them who are minority unit holders in Angas Commercial Property Trust

• K J Lyons	\$936	(2008: \$677)
• M J Hower	\$936	(2008: \$677)
• A Luckhurst-Smith	\$936	(2008: \$677)
• R B Morton	\$936	(2008: \$677)

Profit distributions are based on the balance of net funds available for distribution at the end of the year to all trustee based on units held during the year.

Included under assets in trade and other receivables (trailing commission receivable) an amount totalling \$21,558 (2008: \$2,709) has been included as trailing commission receivable by the company as a result of a home loan between Mr A Luckhurst-Smith and API Home Loans. The trail commission receivable rate is determined by FAST.

34. Remuneration of auditors

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Auditor of the parent entity				
Audit or review of the financial report	120,119	76,410	120,119	76,410
Under provision of prior year audit	19,167	-	19,167	-
Tax services & other (Corporate finance)	17,944	77,087	17,944	77,087
Consultancy – Anti money laundering	763	47,603	763	47,603
	157,993	201,100	157,993	201,100

The auditor of Angas Securities Limited is Deloitte Touche Tohmatsu.

35. Subsequent events

A dividend of \$600,000 fully franked (imputed credit of \$257,143) was declared and paid on 23 July 2009. This represents a fully franked dividend of 75.59 cents per share. Payment of this dividend will reduce franking credits available for subsequent reporting periods to equity holders by \$257,143.