

FORM: Half yearly report

Name of issuer

Angas Securities Limited

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year ended ('Current period')
091 942 728	√		31 December 2010

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A
Revenue (item 1.1)	up	25.14%	to	14,369,802
Profit for the period (item 1.9)	down	12.31%	to	1,017,505
Profit for the period attributable to members of the parent (item 1.11)	down	11.70%	to	1,024,959
Dividends		Current period		Previous corresponding period
Franking rate applicable:				
Final dividend (preliminary final report only)				
Amount per security		N/A		N/A
Franked amount per security		N/A		N/A
Interim dividend (Half yearly report only)				
Amount per security		125.44 cents		75.59 cents
Franked amount per security		100%		100%
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

Consolidated income statement *(The figures are not equity accounted)**(see note 3)**(In accordance with paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$A	Previous corresponding period - \$A
1.1 Revenues	14,369,802	11,482,299
1.2 Expenses, excluding finance costs	(4,695,571)	(3,566,454)
1.3 Finance costs	(8,133,387)	(6,250,041)
1.4 Share of net profits (losses) of associates and joint ventures	-	-
1.5 Profit (loss) before income tax	1,540,844	1,665,804
1.6 Income tax expense	(523,339)	(505,501)
1.7 Profit (loss) from continuing operations	1,017,505	1,160,303
1.8 Profit (loss) from discontinued operations	-	-
1.9 Profit (loss) for the period	1,017,505	1,160,303
1.10 Profit (loss) attributable to minority interests	(7,454)	(456)
1.11 Profit (loss) attributable to members of the parent	1,024,959	1,160,759
1.12 Basic earnings per security <i>(cents per share)</i>	127.12	145.56
1.13 Diluted earnings per security <i>(cents per share)</i>	127.12	145.56
1.14 Dividends per security <i>(cents per share)</i>	125.44	75.59

Comparison of half-year profits*(Preliminary final statement only)*

	Current period - \$A	Previous corresponding period - \$A
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	N/A	N/A
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	N/A	N/A

Consolidated balance sheet

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Assets		Current period - \$A	Previous corresponding period - \$A
3.1	Cash and cash equivalents	18,575,161	24,783,757
3.2	Trade and other receivables	15,967,820	11,759,414
3.3	Other assets	3,901,767	68,738
3.4	Other financial assets	7,438,414	3,700,000
3.5	Loans	149,374,737	109,707,392
3.6	Current tax assets	146,122	-
3.7	Deferred tax assets	517,826	1,284,927
3.8	Property, plant and equipment (net)	574,760	552,170
3.9	Investment properties	22,921,307	21,381,114
3.10	Goodwill	592,184	645,484
3.11	Other intangible assets	59,157	87,629
3.12	Total assets	220,069,255	173,970,625
Liabilities			
3.13	Trade and other payables	2,793,044	1,695,159
3.14	Interest bearing liabilities	208,208,277	163,253,547
3.15	Current tax payable	-	1,100,727
3.16	Provisions	177,644	187,718
3.17	Unearned income	319,235	767,101
3.18	Total liabilities	211,498,200	167,004,252
3.19	Net assets	8,571,055	6,966,373
Equity			
3.20	Share capital	898,476	787,903
3.21	Other reserves	-	-
3.22	Retained earnings	7,252,122	6,048,149
3.23	Parent interest	8,150,598	6,836,052
3.24	Minority interest	420,457	130,321
3.25	Total equity	8,571,055	6,966,373

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$	Previous corresponding period – A\$
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit for the period	1,017,505	1,160,303
4.3 Total recognised income and expense for the period		
Attributable to:		
4.4 Members of the parent	1,024,959	1,160,759
4.5 Minority interest	(7,454)	(456)
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

Consolidated statement of cash flows

(See note 6)

(as per AASB 107: Cash Flow Statements)

	Current period -\$A	Previous corresponding period - \$A	
Cash flows related to operating activities			
5.1	Receipts from customers	3,287,661	3,361,268
5.2	Payments to suppliers and employees	(3,802,685)	(3,756,426)
5.3	Payment of property investment distributions	-	(1,335)
5.4	Interest and other costs of finance received	8,885,340	8,710,258
5.5	Interest and other costs of finance paid	(7,759,346)	(6,409,463)
5.6	Income taxes received	-	148,825
5.7	Income taxes paid	(917,052)	-
5.8	Net cash provided by/(used in) operating activities	(306,082)	2,053,127
Cash flows related to investing activities			
5.9	Proceeds from repayment of mortgage loans	15,717,454	31,046,377
5.10	Payment for mortgage loans	(32,512,921)	(40,010,943)
5.11	Proceeds from sale of property, plant and equipment	30,684	1,562
5.12	Payments for purchases of property, plant and equipment	(155,426)	(44,927)
5.13	Proceeds from sale of property investments	1,786,922	-
5.14	Payment for investments	(1,207,898)	(7,500,000)
5.15	Payment for investment property	(1,699,575)	(62,384)
5.16	Net cash used in investing activities	(18,040,760)	(16,570,315)
Cash flows related to financing activities			
5.17	Proceeds from borrowings	-	3,700,000
5.18	Repayment of borrowings	(99,143)	(96,543)
5.19	Proceeds for issue of equity securities	98,578	90,552
5.20	Proceeds form issues of debt securities	33,811,569	27,841,483
5.21	Repayment of debt securities	(7,871,000)	(8,555,219)
5.22	Dividends paid		
	- member of the parent entity	(1,000,000)	(600,000)
5.23	Net cash provided by financing activities	24,940,004	22,380,273
	Net increase (decrease) in cash and cash equivalents	6,593,162	7,863,085
5.24	Cash at beginning of period	11,981,999	16,920,672
5.25	Cash at end of period	18,575,161	24,783,757

Notes to the financial statements

Ratios

		Current period	Previous corresponding period
Profit before tax / revenue			
6.1	Consolidated profit (loss) before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	10.73%	14.51%
Profit after tax / equity interests			
6.2	Consolidated profit (loss) after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 3.23</i>)	12.58%	16.98%

Dividends

7.1 Date the dividend is payable

5 July 2010

7.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

5 July 2010

7.3 If it is a final dividend, has it been declared?

Yes

(Preliminary final report only)

7.4 The *dividend or distribution plans* shown below are in operation.

N/A

The last date(s) for receipt of election notices to the *dividend or distribution plans*

N/A

7.5 Any other disclosures in relation to *dividends or distributions*

N/A

Dividends paid or provided for on all securities

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

	Current period - \$A	Previous corresponding period - \$A	Franking rate applicable
Dividends paid or provided for during the reporting period			
7.6	Current year final		
	Franked dividends	1,000,000	100%
7.7	Previous year interim		
	Franked dividends	600,000	100%
Dividends proposed and not recognised as a liability			
7.8	Franked dividends	-	-

Dividends is only payable to shareholders of Angas securities Limited. Angas Securities Limited shares are not listed.

Control gained over entity

(See note 8)

8.1 Entities Name (not listed)

Hindmarsh Precinct Developments Pty Ltd as trustee for The Lot 101 Development Unit Trust
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On 14 December 2010, the Group acquired a 70% interest in Hindmarsh Precinct Developments Pty Ltd as trustee for The Lot 101 Development Unit Trust ("Hindmarsh Precinct Development"). Hindmarsh Precinct Developments is engaged in Property Investment and was acquired with the objective of strengthening the Group's investment portfolio.

Impact of acquisition on the results of the Group

Included in the profit for the interim period is a loss of \$81,274 attributed to Hindmarsh Precinct Developments. Revenue for the period includes nil in respect of Hindmarsh Precinct Developments.

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

	Current period - \$A	Previous corresponding period - \$A
Segments		
Revenue:		
9.1 Commercial lending	13,279,354	10,605,657
9.2 Retail lending	315,915	151,989
9.3 Property investments	774,533	724,653
9.4 Total (consolidated total equal to <i>item 1.1</i>)	14,369,802	11,482,299
9.5 Segment result	1,540,844	1,665,804
9.6 Unallocated expenses	-	-
9.7 Operating profit (equal to <i>item 1.5</i>)	1,540,844	1,665,804
9.8 Interest expense	-	-
9.9 Interest income	-	-
9.10 Share of profits/(losses) of associates	-	-
9.11 Income tax expense	(523,339)	(505,501)
9.12 Net profit (consolidated total equal to <i>item 1.9</i>)	1,017,505	1,160,303
Other information		
9.13 Segment assets	220,069,255	173,970,625
9.14 Investments in equity method associates	-	-
9.15 Unallocated assets	-	-
9.16 Total assets (equal to <i>item 3.18</i>)	220,069,255	173,970,625
9.17 Segment liabilities	211,498,200	167,004,252
9.18 Unallocated liabilities	-	-
9.19 Total liabilities (equal to <i>item 3.32</i>)	211,498,200	167,004,252

NTA Backing

(see note 7)

10.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$9.25	\$6.21

In accordance with the security arrangements of liabilities (ie: Debentures), all assets of the company, except goodwill 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.

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

N/A

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

On 8 March 2011, the Federal Court of Australia delivered judgment in favor of Angas Securities Limited against Valcorp Australia Pty Ltd for the preparation of a property valuation which the court held to be in contravention of s52 of the Trade Practices Act 1974 (Cth) and s56 of the Fair Trading Act 1987 (SA). Angas Securities Limited will be entitled to loss of opportunity damages and interest.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Franking credits available as at FYE 30 June 2010 tax return = 3608907.25
There are sufficient credits to pay any fully or partly franked dividends for at least the next year.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and Interpretations effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 118, 136 and 139 as a consequence of AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.*

AASB2009-5 Introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditures on unrecognized assets in the statement of cash flows and the classification of leases of land and buildings.

The adoption of these amendments has not resulted in any changes to the Group's accounting policies and have no effect on the amounts reported for the current or prior periods.

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. *(as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)*

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year *(as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

N/A

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

During the period Angas Securities Limited has introduced secured loans into a facility with Advance Investment Finance No 2 Pty Ltd and which are not recognized on the statement of financial position. Under the terms of the facility Angas Securities Limited assumes risk of default of the loans. As at reporting date secured loans of \$2,999,750 have been made and Angas Securities Limited considers the likelihood of default to be remote and as such has not recognised a provision.

Angas Securities Limited is involved in legal proceedings brought in the Supreme Court of Western Australia by Sizer Builders Pty Ltd (in liquidation). The claim against Angas is for failing to lend funds. The directors believe, based on legal advice, that the action can be successfully defended and therefore no losses will be incurred.

Other than as detailed above, there are no other contingent liabilities or contingent assets.

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

Angas Securities Limited has acquired a partial interest in three properties, as tenant in common with the vendor, with an agreement entered into to sell such interest back to the vendor for an agreed amount at a future date. Where the amount to be settled at a future date is agreed and the conditions with regard to the Company's revenue recognition policy are satisfied, a sale of the property and the corresponding profit is recognized. For the half-year period ended 31 December 2010, profit on sale of associated with these interest of \$1,069,311 was recognized (31 December 2009; \$1,435,556). Total receivables balance of \$11,234,919 remains outstanding at 31 December across the three properties.

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

On 14 December 2010, the Group acquired a 70% interest in Hindmarsh Precinct Developments Pty Ltd as trustee for The Lot 101 Development Unit Trust ("Hindmarsh Precinct Development"). Hindmarsh Precinct Developments is engaged in Property Investment and was acquired with the objective of strengthening the Group's investment portfolio.

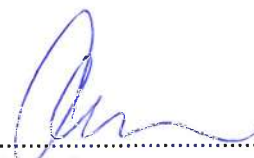
Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

N/A

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- | | | | |
|--------------------------|--|-------------------------------------|--|
| <input type="checkbox"/> | The financial statements have been audited. | <input checked="" type="checkbox"/> | The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> | The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> | The financial statements have <i>not</i> yet been audited or reviewed. |
5. The accounts have been review and the audit report is attached, there are no qualifications as per the attached report. (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
6. The *issuer* has a formally constituted audit committee.

Sign here: .....
(Director)

Date:16 March 2011.....

Print name:Andrew Luckhurst-Smith.....

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*
 - Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5*. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with AASB 101: *Presentation of Financial Statements* or AASB 134: *Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the Exchange. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the Exchange.
13. **Accounting Standards** the Exchange will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** AASB 101: *Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the Exchange. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

Relevant items AASB 101: *Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in AASB 101, in explaining the financial performance of the *issuer*. There is an equivalent requirement in AASB 134: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the Exchange.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.
17. **Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with AASB 5: *Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3

ANGAS SECURITIES LIMITED

A.C.N. 091 942 728

Half year report for the half-year ended 31 December 2010

Financial report for the half-year ended 31 December 2010

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Directors' report

The directors of Angas Securities Limited submit herewith the financial report for the half-year ended 31 December 2010. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Name

Mr Andrew Luckhurst-Smith

Mr Matthew John Hower

Mr Kimley John Lyons

Mr Paul Stephen McCarthy

Review of operations

The operating profit after income tax and before dividends for the period amounted to \$1,017,505 (6 months December 2009 operating profit of \$1,160,303). This was a slight decrease over the previous half year reflecting an increase in Administration expenses for the six months ending 31 December 2010 and expenses relating to the acquisition of Hindmarsh Precinct Developments Pty Ltd as trustee for the Lot 101 Developments Unit Trust.

During the period, Angas Securities Limited have introduced secured loans into a facility with Advance Investment Finance No 2 Pty Ltd. The total loans which can be introduced by Angas Securities Limited under this agreement is \$25 million.

During the period, Angas Securities Limited has become the Responsible Entity for the Angas Prime Income Fund (formerly Prime Monthly Income Trust). This followed variation of the Australian Financial Services Licence (approved by ASIC)

Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



Andrew Luckhurst-Smith

Director

Adelaide, 16 March 2011

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

16 March 2011

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 review of the financial statements of Angas Securities Limited for the half-year ended 31 December 2010, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely


DELOITTE TOUCHE TOHMATSU



J M Burton
Partner
Chartered Accountants

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

We have reviewed the accompanying half-year financial report of Angas Securities Limited, which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 14.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Angas Securities Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

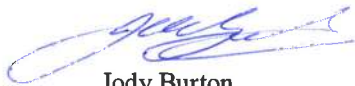
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Angas Securities Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Angas Securities Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


DELOITTE TOUCHE TOHMATSU



Jody Burton
Partner
Chartered Accountants
Adelaide, 16 March 2011


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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Andrew Luckhurst-Smith

Director

Adelaide, 16 March 2011

Condensed consolidated statement of comprehensive income for the half-year ended 31 December 2010

	Consolidated	
	Half-year ended 31 December 2010 \$	Half-year ended 31 December 2009 \$
Interest revenue	10,082,478	7,515,955
Interest expense	(8,133,387)	(6,250,041)
Net interest revenue	1,949,091	1,265,914
Non interest revenue	3,217,993	2,530,788
Profit on sale of property	1,069,331	1,435,556
Marketing expenses	(236,559)	(183,639)
Occupancy expenses	(198,081)	(201,580)
Administration expenses	(3,734,231)	(2,889,472)
Lending waivers	(154,598)	(6,181)
Other expenses	(372,102)	(285,582)
Profit before tax	1,540,844	1,665,804
Income tax expense	(523,339)	(505,501)
Profit for the period	1,017,505	1,160,303
Other comprehensive income		-
Total comprehensive income for the period	1,017,505	1,160,303
Attributable to:		
Equity holders of the parent	1,024,959	1,160,759
Non-controlling interests	(7,454)	(456)
	1,017,505	1,160,303
Earnings per share:		
Basic (cents per share)	127.12	145.56
Diluted (cents per share)	127.12	145.56

Notes to the condensed consolidated financial statements are included on pages 10 to 14.

Condensed consolidated statement of financial position as at 31 December 2010

	Consolidated	
	31 December 2010 \$	30 June 2010 \$
Assets		
Cash and cash equivalents	18,575,161	11,981,999
Trade and other receivables	15,967,820	18,607,225
Other assets	3,901,767	55,687
Loans	149,374,737	128,204,379
Current tax assets	146,122	-
Deferred tax assets	517,826	1,041,168
Other financial assets	7,438,414	9,170,386
Property, plant and equipment	574,760	521,246
Investment property	22,921,307	21,839,074
Other intangible assets	59,157	73,505
Goodwill	592,184	592,184
Total assets	220,069,255	192,086,853
Liabilities		
Trade and other payables	2,793,044	2,750,498
Interest bearing liabilities	208,208,277	179,984,505
Current tax liabilities	-	770,930
Provisions	177,644	185,091
Unearned Income	319,235	231,582
Total liabilities	211,498,200	183,922,606
Net assets	8,571,055	8,164,247
Equity		
Issued capital	898,476	799,898
Retained earnings	7,252,122	7,227,163
Equity attributable to equity holders of the parent	8,150,598	8,027,061
Non-controlling interests	420,457	137,186
Total equity	8,571,055	8,164,247

Notes to the condensed consolidated financial statements are included on pages 10 to 14.

Condensed consolidated statement of change in equity for the half-year ended 31 December 2010

	Issued Capital \$	Retained earnings \$	Non-controlling interest \$	Total \$
Balance at 1 July 2009	697,351	5,487,390	130,777	6,315,518
Profit/(loss) for the period	-	1,160,759	(456)	1,160,303
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	1,160,759	(456)	1,160,303
Payment of dividends	-	(600,000)	-	(600,000)
Issue of capital	72,481	-	-	72,481
Installment partly paid shares	18,071	-	-	18,071
Balance at 31 December 2009	787,903	6,048,149	130,321	6,966,373
Balance at 1 July 2010	799,898	7,227,163	137,186	8,164,247
Profit/(loss) for the period	-	1,024,959	(7,454)	1,017,505
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	1,024,959	(7,454)	1,017,505
Payment of dividends	-	(1,000,000)	-	(1,000,000)
Issue of capital	68,589	-	-	68,589
Installment partly paid shares	29,989	-	-	29,989
Controlling interest arising on the acquisition of Hindmarsh Precinct Developments	-	-	290,725	290,725
Balance at 31 December 2010	898,476	7,252,122	420,457	8,571,055

Notes to the condensed consolidated financial statements are included on pages 10 to 14.

Condensed consolidated statement of cash flow for the half-year ended 31 December 2010

	Consolidated	
	Half-year ended 31 December 2010 \$	Half-year ended 31 December 2009 \$
Cash flows from operating activities		
Receipts from customers	3,287,661	3,361,268
Payments to suppliers and employees	(3,802,685)	(3,756,426)
Payment of property investment distribution	-	(1,335)
Interest received	8,885,340	8,710,258
Interest paid	(7,759,346)	(6,409,463)
Income tax received	-	148,825
Income tax paid	(917,052)	-
Net cash provided by/(used in) operating activities	(306,082)	2,053,127
Cash flows from investing activities		
Proceeds from repayment of mortgage loans	15,717,454	31,046,377
Payment for mortgage loans	(32,512,921)	(40,010,943)
Proceeds from property, plant and equipment	30,684	1,562
Payment for property, plant and equipment	(155,426)	(44,927)
Proceeds from sale of property investments	1,786,922	-
Payment for investments	(1,207,898)	(7,500,000)
Payment for investment property	(1,699,575)	(62,384)
Net cash used in investing activities	(18,040,760)	(16,570,315)
Cash flows from financing activities		
Proceeds from borrowings	-	3,700,000
Repayment of borrowings	(99,143)	(96,543)
Proceeds for issue of equity securities	98,578	90,552
Proceeds from issues of debt securities	33,811,569	27,841,483
Repayment of debt securities	(7,871,000)	(8,555,219)
Dividends paid		
- member of the parent entity	(1,000,000)	(600,000)
Net cash provided by financing activities	24,940,004	22,380,273
Net increase/(decrease) in cash and cash equivalents	6,593,162	7,863,085
Cash and cash equivalents at the beginning of the period	11,981,999	16,920,672
Cash and cash equivalents at the end of the period	18,575,161	24,783,757

Notes to the condensed consolidated financial statements are included on pages 10 to 14.

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have 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, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the financial year ended 30 June 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and Interpretations effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 118, 136 and 139 as a consequence of AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*.

AASB2009-5 Introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditures on unrecognized assets in the statement of cash flows and the classification of leases of land and buildings.

The adoption of these amendments has not resulted in any changes to the Group's accounting policies and have no affect on the amounts reported for the current or prior periods.

2. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports and components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess its performance.

Information reported to the Group's Board of Directors for the purposes of assessing the performance of the Group specifically focuses on the Groups' core financial products. The Group's reportable segments under AASB 8 are therefore as follows:

- Commercial Investments
- Retail Lending
- Property Investments

2. Segment information (cont'd)

The Commercial Investments reportable segment involves the supply of commercial mortgages and the investment in properties held for resale funded by Debentures issued to the public. The Retail Lending reportable segment includes the supply of retail mortgages funded by third parties (either by Finance & Systems Technology Pty Ltd, GE Money or Advance Investment Finance No 2 Pty Ltd), while the third reportable segment is Property Investments which includes all activities relating to investments made in properties solely for investment purposes (all properties are commercial tenanted and receive monthly rental income).

Information regarding these segments is presented below. Amounts reported for the prior period have been restated to conform to the requirements of AASB 8. The accounting policies of the new reportable segments are the same as the Group's accounting policies.

	Revenue		Segment Profit/(Loss)	
	Half-year ended		Half-year ended	
	31 Dec 2010 \$	31 Dec 2009 \$	31 Dec 2010 \$	31 Dec 2009 \$
Commercial Investments	13,307,566	10,699,713	1,665,252	1,829,471
Retail Lending	315,915	151,989	43,216	(138,907)
Property Investments	774,533	724,653	(167,624)	(24,760)
	14,398,014	11,576,355	1,540,844	1,655,804
Profit before tax			1,540,844	1,665,804
Income tax expense			(523,339)	505,501
Consolidated segment revenue and profit for the period	14,398,014	11,576,355	1,017,505	1,160,303

Segment profit represents the profit earned by each segment without allocation of central administration costs, director's salaries, and income tax expenses to the Commercial Investment segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Intersegment revenues has not been eliminated in the above table, revenue and profit has been disclosed in the same manner the chief operating decision maker would receive it. Intersegment revenues include \$28,213 (2009: \$4,180) interest paid by Commercial Investments to Property Investments on Debentures issued by Commercial Investments.

The following is an analysis of the Group's assets by reportable operating segment:

	31 Dec 2010 \$	30 Jun 2010 \$
Commercial Investments	192,335,680	168,269,233
Retail Lending	1,232,101	1,227,622
Property Investments	26,501,474	22,589,998
Total segment assets	220,069,255	192,086,853
Unallocated assets	-	-
Total assets	220,069,255	192,086,853

3. Issuance and repurchase of equity securities

During the half-year reporting period, the company issued 3,243 shares for \$68,589.45 in accordance with the Board's authority to issue up to 1.5% of the current shareholding each year. The offer was made to Executive Director Paul McCarthy. Paul McCarthy elected to have the shares issued in the name of Barri Nominees Pty Ltd ATF Dragon Capital Trust.

In addition, a further pay down of partly paid shares was made on 5 July 2010 by Barri Nominees Pty Ltd ATF Dragon Capital Trust of \$29,988.60 triggered by a Dividend payment. As a result of these two transactions, the closing equity balance at the half-year totaled \$898,476.22 which was made up of 800,421 shares.

4. Contingent liabilities and contingent assets

During the period Angas Securities Limited has introduced secured loans into a facility with Advance Investment Finance No 2 Pty Ltd and which are not recognized on the statement of financial position. Under the terms of the facility Angas Securities Limited assumes risk of default of the loans. As at reporting date secured loans of \$2,999,750 have been made and Angas Securities Limited considers the likelihood of default to be remote and as such has not recognised a provision.

Angas Securities Limited is involved in legal proceedings brought in the Supreme Court of Western Australia by Sizer Builders Pty Ltd (in liquidation). The claim against Angas is for failing to lend funds. The directors believe, based on legal advice, that the action can be successfully defended and therefore no losses will be incurred.

Other than as detailed above, there are no other contingent liabilities or contingent assets.

5. Dividends

	Half-year ended 31 December 2010		Half-year ended 31 December 2009	
	Cents per share	Total \$	Cents per share	Total \$
Recognised amounts				
Fully paid ordinary shares				
Final dividend franked to 30%	125.44	1,000,000	-	-
Interim dividend franked to 30%	-	-	75.59	600,000
		<u>1,000,000</u>		<u>600,000</u>

6. Acquisition of subsidiary

On 14 December 2010, the Group acquired a 70% interest in Hindmarsh Precinct Developments Pty Ltd as trustee for The Lot 101 Development Unit Trust ("Hindmarsh Precinct Development"). Hindmarsh Precinct Developments is engaged in Property Investment and was acquired with the objective of strengthening the Group's investment portfolio.

Consideration transferred	\$
Cash	740,082
	<u>740,082</u>

6. Acquisition of subsidiary (cont'd)

Assets acquired and liabilities assumed at the date of acquisition

Assets

Cash & cash equivalents

Trade receivables (i)

Prepaid land lease – Lot 101 Adam Street

Hindmarsh (ii)

Liabilities

Trade & other payables

Related party payable – Vidale Developments

Pty Ltd

Commercial Bill – BankSA

\$
212
30,050
3,800,000
(191,180)
(200,000)
(2,470,000)
969,082

(i) Trade receivables acquired of \$30,050 relate entirely to GST receivable.

(ii) The land acquired is leased from the Commonwealth for 99 years. The lease will expire on 12 February 2106.

Non-controlling interests

The non-controlling interest (30%) in Hindmarsh Precinct Development recognized at the acquisition date was measured by reference to the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

Goodwill arising on acquisition

Consideration transferred

Plus: non-controlling interest (at fair value)

Less: fair value of identifiable net assets
acquired

Goodwill arising on acquisition

\$
740,082
290,725
(969,082)
61,725

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

Consideration paid in cash

Less: cash and cash equivalent balances
acquired

\$
740,082
(212)
739,870

Impact of acquisition on the results of the Group

Included in the profit for the interim period is a loss of \$81,274 attributed to Hindmarsh Precinct Developments. Revenue for the period includes nil in respect of Hindmarsh Precinct Developments.

7. Subsequent events

On 8 March 2011, the Federal Court of Australia delivered judgment in favor of Angas Securities Limited against Valcorp Australia Pty Ltd for the preparation of a property valuation which the court held to be in contravention of s52 of the Trade Practices Act 1974 (Cth) and s56 of the Fair Trading Act 1987 (SA). Angas Securities Limited will be entitled to loss of opportunity damages and interest.

8. Significant items

Angas Securities Limited has acquired a partial interest in three properties, as tenant in common with the vendor, with an agreement entered into to sell such interest back to the vendor for an agreed amount at a future date. Where the amount to be settled at a future date is agreed and the conditions with regard to the Company's revenue recognition policy are satisfied, a sale of the property and the corresponding profit is recognized. For the half-year period ended 31 December 2010, profit on sale of associated with these interest of \$1,069,311 was recognized (31 December 2009; \$1,435,556). Total receivables balance of \$11,234,919 remains outstanding at 31 December across the three properties.

9. Disclosure of additional 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:

Principal Registered Office

Level 14, 26 Flinders Street
ADELAIDE SA 5000
TEL: (08) 8414 3363

Principal Place of Business

Level 14, 26 Flinders Street
ADELAIDE SA 5000
TEL: (08) 8410 4343

The entity's principal activity is financial services.