ANGAS PRIME INCOME FUND ("ANGAS PRIME")
ARSN: 091 887 400

Annual report for the financial year ended 30 June 2019

Directors' report

The directors of Angas Securities Limited (ACN 091 942 728) ("Angas") the Responsible Entity, submit herewith the annual report of Angas Prime ('the Trust' or "the Fund") for the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the directors and senior management

The names and particulars of the directors of the Responsible Entity during or since the end of the financial year are:

Name	Particulars
Andrew Luckhurst-Smith	Executive Chairman. Lawyer who has practiced principally in the area of banking and finance, member of the Banking and Financial Services Law Association of Australia Limited, joined the Board 29 March 2000.
Matthew John Hower	Managing Director. Finance industry experience in area of corporate structured finance, joined the Board 29 March 2000.
Clive Thomas Guthrie	Non-executive Director. Twenty seven years at Westpac principally in the area of general banking, financial services and trust management, followed by 15 years at Trust Company as manager of corporate trusts and head of Structured Finance. Joined the Board 1 July 2013.
Randal Williams	Non-executive Director. Extensive experience in financial services, most recently as Chief Risk Officer and Chief Lending Officer at La Trobe Financial Services, joined the Board 1 March 2019.

The above named directors held office during the whole of the financial year and since the end of the financial year except for:

- Randal Williams – appointed 1 March 2019
- Matthew John Hower – resigned as Managing Director 30 June 2019 but has remained on the Board as Non-executive Director

Principal Activities

The Trust is a registered management investment scheme domiciled in Australia. The principal activity of the Trust in the course of the financial year is to invest funds in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of the Constitution.

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

The Trust did not have any employees during the financial year.

Review of Operations

The results of the operations of the Trust are disclosed in the Statement of Comprehensive Income of these financial statements. The profit attributable to unitholders for the year ended 30 June 2019 was $1,513,049 (2018: $1,599,783).

There was a significant reduction in interest income for the financial year. This was caused by several loans in the previous year being in default, which attracted high rate interest. These loans have since been discharged. Further, the average amount lent in the previous year was higher than the current year which contributed to the lower interest revenue.

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

Distributions

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

Changes in the state of affairs

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

Matters relating to Angas (the Responsible Entity)

Scheme of Arrangement

As reported in the previous financial statements, Angas was undertaking a program to exit its debenture business through an orderly realisation of its assets and repayment of amounts owed to holders of Angas debentures ("Run-Off"). The Run-Off most recently approved by debenture holders extended the redemption date for debentures to 30 June 2019. The Directors of Angas met on 5 October 2018 and based on the information available to them on the status of all property sales, concluded that Angas would not be able to meet the payments contained in the Run-Off by 30 June 2019. The Directors then resolved to seek approval for a restructure of the remaining debenture debt.

A meeting of the Debenture Holders of Angas was held on 30 April 2019 to vote on a Scheme of Arrangement which the Directors believed would maximise the final overall return for Debenture Holders. Details of the Scheme were set out in the Scheme Booklet which was sent to each Debenture Holder in early April 2019. The Scheme Booklet included an Independent Expert Report which set out the likely returns to Debenture Holders under the proposed Scheme compared to a receivership.

Debenture holders voted 86.39% in favour of the Scheme of Arrangement. This was ratified by the Federal Court on 17 May 2019 with the implementation date of the Scheme of Arrangement effective 3 June 2019.

The Scheme of Arrangement does not directly affect investors in the Fund given the assets of Angas Prime are the property of Angas Prime investors and remain legally and operationally separate from the assets of Angas. Moreover, there is no longer material uncertainty as to whether Angas will continue as a going concern and therefore on its ability to act as Responsible Entity of the Fund in the future.

Angas' Required Level of Net Tangible Assets as Holder of an Australian Financial Services Licence

As the holder of an Australian Financial Services Licence, Angas is subject to certain financial requirements, including a requirement that it hold a minimum level of Net Tangible Assets ("NTA"). A consequence of the Run-Off is that Angas has experienced fluctuations from time-to-time in its NTA position, in part because of revaluation of its assets agreed with its auditors. On 31 January 2019, Angas issued its Financial Statements for the financial year ended 30 June 2018. Angas' Financial Statements disclosed a breach of the NTA requirement.

As a result of the implementation of the Scheme of Arrangement, and as reflected in the Audited Financial Statements of Angas for the year ending 30 June 2019, Angas has now rectified its NTA requirement.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Trust, the results of the Trust, or the state of affairs of the Trust in future financial years.

Future developments

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

Options granted

No options were:

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

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

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

Indemnification of officers and auditors

During the financial year, the Responsible Entity paid a premium in respect of a contract insuring the directors of the Responsible Entity (as named above), the secretary of the Responsible Entity and all executive officers of the Responsible Entity and of any related body corporate against a liability incurred as such a director, secretary or executive officer, to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified, or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

Fees paid to and interest held in the Trust by the Responsible Entity

The Responsible Entity is paid management fees and performance fees as per the PDS. The management fee is calculated as a percentage of the loan portfolio on a daily basis and paid to the Responsible Entity at the end of each month. A performance fee is payable from the income of the Fund at the end of each month after distributions to Investors of target rate and subject to the maintenance of a pre-determined level of the Dedicated Reserve Account.

No fees were paid by the Trust to the directors of the Responsible Entity during the financial year ending 30 June 2019.

The Responsible Entity or its associates did not hold any interests in the Trust during the financial year ending 30 June 2019.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in Note 10 to the financial statements.

The value of the Trust's assets and liabilities is disclosed in the Statement of Financial Position and derived using the basis set out in Note 3 to the financial statements.

Auditor's independence declaration

The auditor's independence declaration is included after this report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity, Angas Securities Limited

Andrew Luckhurst-Smith
Executive Chairman
Adelaide, 27 September 2019

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ANGAS SECURITIES LIMITED AS RESPONSIBLE ENTITY OF ANGAS PRIME

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Perks Audit

PERKS AUDIT PTY LTD
180 Greenhill Road
Parkside SA 5063

PJHill

PETER J HILL
Director
Chartered Accountant
Registered Company Auditor

27 September 2019
Adelaide

INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF ANGAS PRIME

Report on the financial report

We have audited the accompanying financial report of Angas Prime, which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of Angas Securities Limited ("the Responsible Entity") 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.

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 as to 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 judgment, including the assessments 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 opinion.

Independence

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

Auditor's Opinion

In our opinion;

the financial report of Angas Prime is in accordance with the Corporations Act 2001, including;

a. giving a true and fair view of the entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

b. complying with Australian Accounting Standards and the Corporations Regulations 2001, other mandatory professional reporting requirements in Australia; and International Financial Reporting Standards.

Perks Audit

PERKS AUDIT PTY LTD
180 Greenhill Road
PARKSIDE SA 5063

PETER J HILL
Director
Registered Company Auditor
Chartered Accountant

Dated this 27 September 2019

Directors' declaration

The directors of the Responsible Entity declare that:

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

(b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 3 to the financial statements; and

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

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

On behalf of the Directors of the Responsible Entity, Angas Securities Limited

Andrew Luckhurst-Smith
Executive Chairman
Adelaide 27 September 2019

Index to the financial report

Contents		**Page**

Statement of comprehensive income for the financial year ended 30 June 2019

	Note	Year ended 30 June 2019 $	Year ended 30 June 2018 $
Income			
Interest income		1,994,966	3,167,394
Other income		49,676	5,147
Total income		**2,044,642**	**3,172,541**
Expenses			
Responsible Entity fees	11	326,295	1,219,290
Auditor's remuneration	12	10,171	17,509
Bad debt expense		-	330,919
Doubtful debt expense		189,170	-
Other expenses		5,957	5,040
Total expenses		**531,593**	**1,572,758**
Profit attributable to unitholders		**1,513,049**	**1,599,783**
Finance costs attributable to unitholders			
Distributions to unitholders	9	1,513,049	1,599,783
Net profit		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

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

Statement of financial position as at 30 June 2019

	Note	30 June 2019 $	30 June 2018 $
Assets			
Cash and cash equivalents	13	2,067,836	8,378,840
Trade and other receivables	5	100,222	538,247
Other financial assets	6	19,509,529	14,949,033
Total assets		**21,677,587**	**23,866,120**
Liabilities			
Trade and other payables	7	149,788	854,460
Other financial liabilities	8	73,828	18,710
Distributions payable	9	117,971	123,950
Total liabilities		**341,587**	**997,120**
Net assets		**21,336,000**	**22,869,000**
Unitholders' equity			
Units issued	10	21,336,000	22,869,000
Total unitholders' equity		**21,336,000**	**22,869,000**

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

Statement of changes in equity for the financial year ended 30 June 2019

	Notes	Equity attributable to unitholders	
		Units on issue Number	Units on issue $
Balance at 1 July 2017		**23,625,000**	**23,625,000**
Issue of redeemable units		4,502,000	4,502,000
Redemption of redeemable units		(5,258,000)	(5,258,000)
		22,869,000	22,869,000
Changes in net assets attributable to unitholders		-	-
Balance at 30 June 2018		**22,869,000**	**22,869,000**
Issue of redeemable units		5,093,000	5,093,000
Redemption of redeemable units		(6,626,000)	(6,626,000)
		21,336,000	21,336,000
Changes in net assets attributable to unitholders		-	-
Balance at 30 June 2019	10	**21,336,000**	**22,869,000**

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

Statement of cash flows
for the financial year ended 30 June 2019

	Note	Year ended 30 June 2019 $	Year ended 30 June 2018 $
Cash flows from operating activities			
Interest received		2,437,596	3,750,574
Non-interest income received		49,676	5,147
Payments to suppliers		(1,240,867)	(1,786,300)
Net cash generated by operating activities	13	**1,246,405**	**1,969,421**
Cash flows from investing activities			
Proceeds from borrowers		30,679,998	17,492,289
Payments to borrowers		(35,185,377)	(9,995,000)
Net cash used in investing activities		**(4,505,379)**	**7,497,289**
Cash flows from financing activities			
Proceeds from unitholders	10	5,093,000	4,502,000
Payment for the redemption of units to unitholders	10	(6,626,000)	(5,258,000)
Distributions paid to unitholders		(1,519,029)	(1,608,947)
Net cash generated by/(used in) financing activities		**(3,052,029)**	**(2,364,947)**
Net increase/(decrease) in cash and cash equivalents		**(6,311,004)**	**7,101,763**
Cash and cash equivalents at the beginning of the financial year		8,378,840	1,277,077
Cash and cash equivalents at the end of the financial year	13	**2,067,836**	**8,378,840**

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

1. General information

Angas Prime ('the Trust') is a unit trust and registered managed investment scheme domiciled in Australia. The unit trust was constituted on 17 April 1984 and will terminate on 16 April 2064 unless terminated earlier in accordance with the provisions of the Trust's Constitution. A deed of variation was made on 13 November 2013 to amend the constitution to note revised rights and obligations as per a new PDS issued 13 November 2013. The PDS was most recently revised and reissued on 26 July 2018.

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

This financial report covers the Trust as an individual entity.

2. Application of new and revised Accounting Standards

2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2018, and therefore relevant for the current year end.

AASB 9 'Financial Instruments', and the relevant amending standards	AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15'	The application of AASB 15 has not had any impact on the financial position and/or financial performance of the Group because the requirements relating to variable revenue are consistent with current requirements.

The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Trust's financial statements.

2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of financial statements, the Standards and Interpretations which may be relevant to the Trust that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2018-1 Amendments to Australian Accounting Standards Annual Improvements 2015–2017 Cycle	1 January 2019	30 June 2020

The impact of these standards on the Trust has not yet been assessed. The assessment will commence in the 2020 financial year

3. Significant accounting policies

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Trust comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors of the Responsible Entity on 27 September 2019.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgments and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 4 for a discussion of critical judgements in applying the Trust's accounting policies, and key sources of estimation uncertainty.

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

(a) Revenue

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

Interest income

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

(b) Expenses

All expenses, including the Responsible Entity's fees and Custodian fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

(c) Income tax

Under current income tax legislation the Trust is not liable to pay income tax as the net income of the Trust is assessable in the hands of the beneficiaries (the unitholders) who are 'presently entitled' to the income of the Trust. There is no income of the Trust to which the unitholders are not 'presently entitled' and additionally, the Trust's Constitution requires the distribution of the full amount of the net income of the Trust to the unitholders each period.

As a result, deferred taxes have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that taxable gains are realised by the Trust, these gains would be included in the taxable income that is assessable in the hands of the unitholders as noted above.

Realised capital losses are not distributed to unitholders but are retained within the Trust to be offset against any realised capital gains. The benefit of any carried forward capital losses are also not recognised in the financial statements. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income that is assessable in the hands of unitholders in that period and is distributed to unitholders in accordance with the requirements of the Trust's Constitution.

3. Significant accounting policies (continued)

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The trust qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% hence the amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments or other short term highly liquid investments, net of outstanding bank overdrafts.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(f) Financial assets

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

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Trust's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(g) Financial liabilities and equity instruments issued by the Trust

Classification as debt or equity

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

In accordance with AASB 132 unitholders' funds are classified as equity and disclosed as such in the statement of financial position, being referred to as "Unitholders' equity". The Trust has a single class of units on issue that are subordinate to all other classes of instruments, they have identical features and unitholders are entitled to a pro-rata share of the profit earned by the Trust and a pro-rata share of the net assets on termination of the Trust.

3. Significant accounting policies (continued)

(g) Financial liabilities and equity instruments issued by the Trust (continued)

Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.
Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(h) Provisions

Provisions are recognised when the Trust has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(i) Distributions

In accordance with the Trust's Constitution, the Trust fully distributes its distributable income to unitholders by way of cash or reinvestment into the Trust.
Distributions to unitholders comprise the income of the Trust to which the unitholders are presently entitled. The distributions are payable monthly and are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

(j) Applications and redemptions

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.
Unit redemption prices are determined by reference to the Trust's Constitution, being $1.00 less applicable redemption fees.

4. Critical accounting judgments and key sources of estimation uncertainty

Critical judgments in applying the Trust's accounting policies
The following are the critical judgements that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:
In the process of applying the Trust's accounting policies, management has made a judgement in respect of impairment of assets which has the most significant effect on the amounts recognised in the Financial Statements. The Trust assesses impairment at each reporting date by evaluating conditions specific to the Trust that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

5. Trade and other receivables

	30 June 2019 $	30 June 2018 $
Interest Receivable	199,393	542,852
Allowance for doubtful debts	(99,170)	-
	100,223	542,852
Goods and services tax (Payable) / recoverable	(1)	(4,605)
	100,222	**538,247**

6. Other financial assets

	30 June 2019 $	30 June 2018 $
Loans – at amortised cost	19,599,529	14,949,033
Allowance for doubtful debts	(90,000)	-
	19,509,529	**14,949,033**

7. Trade and other payables

	30 June 2019 $	30 June 2017 $
Accrued expenses	32,997	409,766
Other payables	116,791	444,694
	149,788	**854,460**

8. Other financial liabilities

	30 June 2019 $	30 June 2018 $
Unearned Income (interest received in advance on loans)	73,828	18,710
	73,828	**18,710**

9. Distributions paid and payable

As at 31 October 2013 all existing investors were paid out. A new PDS was issued on 13 November 2013. Under the new PDS the first investment was received on 17 January 2014 and the first loan as placed on 28 February 2014.

During the 2018/19 financial year, the Target rate was 6.5%.

The distributions were paid as follows:

	2019		2018	
	Avg cents / unit	$	Avg cents / unit	$
Previous PDS				
Distributions paid during the period	-	-	-	-
Distributions payable	-	-	-	225
Total previous PDS	-	-	-	225
New PDS				
Distributions paid during the period	0.0650	1,395,078	0.0675	1,475,608
Distributions payable	0.0650	117,971	0.0675	123,950
Total new PDS		1,513,049		1,599,558
TOTAL		1,513,049		1,599,783

10. Unitholders' equity

	2019 Units	2018 Units
Opening balance	22,869,000	23,625,000
Applications	5,093,000	4,502,000
Redemptions	(6,626,000)	(5,258,000)
Closing balance	**21,336,000**	**22,869,000**

11. Related party disclosures

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

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

	30 June 2019 $	30 June 2018 $
Responsible Entity's management fees	270,648	443,755
Responsible Entity's performance fees	55,647	775,535
	326,295	**1,219,290**

12. Remuneration of auditors

	30 June 2019 $	30 June 2018 $
Auditing - Paid	10,171	17,509
	10,171	**17,509**

The auditor of Angas Prime is Perks Audit Pty Ltd.

13. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statements of financial position as follows:

	30 June 2019 $	30 June 2018 $
Cash at bank (operating account)	27,402	230,007
Application trust account	1,826,471	7,922,295
Interest trust account	213,963	226,538
	2,067,836	**8,378,840**

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

	Year ended 30 June 2019 $	Year ended 30 June 2018 $
Net profit	-	-
Finance costs attributable to unitholders	1,513,049	1,599,783
Net profit attributable to unitholders	1,513,049	1,599,783
Changes in net assets:		
(Increase)/ decrease in income receivable	438,025	588,160
Decrease in creditors and accruals	(704,669)	(218,522)
Net cash inflow/(outflow) from operating activities	**1,246,405**	**1,969,421**

14. Financial instruments

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

The allocation of assets as between the various types of financial instruments described above is determined by the Trust's Investment Manager who manages the Trust's portfolio of assets to achieve the Trust's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Trust's Investment Manager on at least a monthly basis. As at 30 June 2019 and 2018, the Trust's assets were represented by cash, short term receivables and mortgages as allowed by the PDS issued 13 November 2013 and most recently revised and reissued on 27 July 2018.

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

- Interest risk
- Liquidity risk
- Credit risk

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

Financial risk management

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

Interest rate risk

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

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

Interest rate sensitivity

An increase of 50 basis points in interest rates as at the reporting date would have increased the net assets attributable to unit holders and profit or loss from operating activities by $97,547 (2018: $74,745). A decrease of 50 basis points would have had an equal but opposite effect.

Credit risk

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

Liquidity risk

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

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

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

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

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

	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to a year $	Total $
2019					
Trade and other payables	Nil	116,791	32,997	-	149,788
Other financial liabilities	Nil	73,828	-	-	73,828
Distributions payable	Nil	117,971	-	-	117,971
Total financial liabilities		**308,590**	**32,997**	**-**	**341,587**
2018					
Trade and other payables	Nil	444,694	409,766	-	854,460
Other financial liabilities	Nil	18,710	-	-	18,710
Distributions payable	Nil	123,950	-	-	123,950
Total financial liabilities		**587,354**	**409,766**	**-**	**997,120**

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

	Weighted average effective interest rate %	At call $	Less than 1 month $	1-3 months $	3 months to a year $	Total $
2019						
Cash and cash equivalents	0.01%	2,067,836	-	-	-	2,067,836
Trade and other receivables	Nil	100,222	-	(1)	-	100,222
Other financial assets	14.62%	-	-	5,193,767	14,315,762	19,509,529
Total financial assets		**2,168,058**	**-**	**5,193,766**	**14,315,762**	**21,677,587**
2018						
Cash and cash equivalents	0.01%	8,378,840	-	-	-	8,378,840
Trade and other receivables	NIL	542,852	-	(4,605)	-	538,247
Other financial assets	13.51%	-	-	2,976,661	11,972,372	14,949,033
Total financial assets		**8,921,692**	**-**	**2,972,056**	**11,972,372**	**23,866,120**

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

Fair value of financial instruments carried at amortised cost

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

15. Commitments

The Trust has no commitments as at balance date (2018: $nil).

16. Contingent liabilities and contingent assets

At the date of this report, the directors of the Responsible Entity are unaware of any liabilities or assets, contingent or otherwise, that were not already disclosed elsewhere in this report.

17. Subsequent events

There were no subsequent events to report.

18. Other information

i) *Commencement date of the Trust*

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

ii) *Life of the Trust*

The Trust must terminate on the earliest of:

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