Investments + Opportunities

Anglesey

Prospectus No.10

For the Issue of Secured Notes

Anglesey Secured Investments Limited
ACN 111 607 606

Important Notice

This Prospectus is dated 19th September 2019. A copy of this Prospectus has been lodged with the Australian Securities and Investments Commission (ASIC).

ASIC takes no responsibility for the contents of this document, or the merits of the investments offered by this Prospectus.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company reserves the right to close the Prospectus at an earlier date.

The invitation to invest is available to persons who receive this Prospectus and Application Form within Australia. If you have received an electronic copy of the Prospectus, you may obtain a paper copy free of charge from our offices at Suite 103, Level 1 274-290 Victoria Street DARLINGHURST NSW 2010 call 02 9167 0909. The electronic form can be found on the Company's website www.angleseyinvest.com.

The Company refers to and adopts ASIC Corporations (Debenture Prospectus) instrument 2016/75, where the Company issues a separate interest rate card containing investment rates and terms from time to time. All investors should confirm the currency of any interest rate prior to completing an application.

This Prospectus is an important document and should be read in its entirety. Before deciding to invest, you should consider whether ASI Notes are a suitable investment for you. The information in this Prospectus is of a general nature and has been prepared without taking account of your personal objectives, financial situation or needs. This Prospectus is not a statement of advice. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice if necessary, before investing. Any material changes to information contained within this Prospectus will be the subject of continuous disclosure via the Company's website www.angleseyinvest.com

Melbourne Securities Corporation Limited is the trustee for the holders of ASI Notes and holds a General Security Agreement over all of the assets of the Company. This security interest is registered on the Personal Property Security Register. Neither the Company Directors, or the Trustee, or any of their related parties guarantee the obligations of the Company for the repayment of capital or payment of interest on ASI Notes.

ASIC's Class Order 12/1482 of 2012 provides that debenture issuers can only describe the debentures it issues as "Secured Notes" if:

(a) the repayment of all money that has been, or may be invested or lent under the Secured Notes has been secured by a first ranking security interest in favour of the trustee over the whole or any part of the property of the borrower or any guarantor; and

(b) the property that constitutes the security for the security interest is sufficient and is reasonably likely to be sufficient to meet the liability for the repayment of all such money and all other liabilities that:

- (i) have been or may be incurred; and
- (ii) rank in priority to, or equally with, that liability.

The Company does and will comply with those requirements.

The Company is not authorised under the Banking Act and is not supervised by the Australian Prudential Regulation Authority (APRA). The depositor protection provisions in Section 13A of the Banking Act, 1959, will not cover ASI Notes. Investments with the Company are not covered by the Financial Claims Scheme established under Division 2AA of the Banking Act 1959. Investors in ASI Notes may lose some or all of their investment.

Contents

1. Company Profile

Anglesey Secured Investments Limited, ACN 111 607 606 ('the Company') trading as Anglesey Invest, is an Australian owned and operated unlisted Public Company with offices in Sydney NSW and holds Australian Financial Services License Number 292528, which authorises it to issue Secured Notes of the Company.

Anglesey Secured Investments Limited is planning to undergo a name change to NBFI Capital Limited within the term of this prospectus. The acronym NBFI refers to non-bank financial institution. The directors believe that given the current tightening of credit amongst the major commercial banks and the fallout of the Banking Royal Commission that non-bank financial institutions will significantly increase their market share. As a result it is our view that NBFI Capital Limited is a more relevant and appropriate company name for the future

The predominant activity of the Company is to accept moneys from investors and to lend those funds to approved borrowers on security of registered mortgages over real property in Australia. However, the trust deed permits funds raised to be used for other purposes as outlined in Permitted Investments 7.8. While the mortgage lending business has not reached the critical mass necessary to provide continued profit, other permitted investments being real property investment have also not been profitable. Of the two investment properties, one has subsequently been sold and the other under contract. This form of investment will not be repeated. The Company believes that it is approaching the critical mass of mortgage loans required for sustainable profitability.

The Directors of the Company are committed to management and business practices designed to ensure the due performance of the Company's Secured Notes together with sustainable profitability and growth. Since commencing business no investor in ASI Notes has lost any capital or not been paid any interest when falling due.

For information on the Directors' Interests in the Company we refer you to Section 9.2 of this prospectus.

2. Corporate Directory

Principal Places of Business

Darlinghurst Office

Suite 103, Level 1 274-290 Victoria Street
DARLINGHURST NSW 2010

Telephone: (02) 9167 0909
Website: www.angleseyinvest.com
Email: info@nbficapital.com

Accountants
Rosenfeld Kant & Co.
Level 24, Tower 2
101 Grafton Street,
Bondi Junction NSW 2022

Trustee for ASI Secured Note Holders
Melbourne Securities Corporation Limited
Level 2, Professional Chambers
120 Collins Street
MELBOURNE VIC 3000

Auditor
Rosenfeld Kant & Co.
Level 24, Tower 2/101
Grafton Street,
Bondi Junction NSW 2022

3. Chairman's Letter

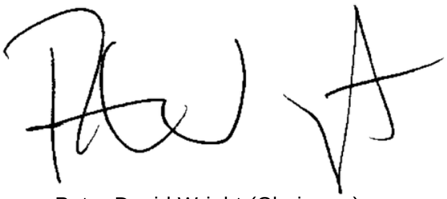
Dear Investor

The Directors and I invite you as a potential investor to read our Prospectus.

On behalf of the Board, I present this Prospectus for your consideration and invite you to subscribe for Secured Notes issued by our Company. This is an opportunity to invest in a fixed term investment that provides a regular income and fixed rates of return. This Prospectus is designed to help you make an informed decision about whether you should invest in of ASI Notes. By investing in Secured Notes your investment in the Company is secured by a charge over the assets of the Company in favour of Melbourne Securities Corporation Ltd as trustee for the holders of ASI Notes, to protect your interests for timely payments of interest earned and redemption of your investment principal. Please refer to Director's statements at clause 13.

Anglesey Secured Investments Limited offers investors a fixed interest investment from a local owned Australian Company supporting local enterprises and communities.

Yours faithfully



Peter David Wright (Chairman)

The Company has shown steady growth in Secured Notes issued, increasing to $6.37 million as at the 30 June 2019.

4. Board of Directors

Peter David Wright Appointed 01 April 2019	Executive Director & Chairman	Peter has held many senior positions in multi-national corporations as well as start-ups as a founder over a 35 year period. He was an Executive Director of Macquarie Bank as well as a licenced fund manager. Within Macquarie he was involved in the formation of several significant real estate funds and securitized real estate lending businesses in which Macquarie was an early mover and the largest player in the Australian market. Peter received the first foreign private equity funds management license issued in Tianjin, China as well as a Capital Markets Services License in Singapore. Peter has extensive experience as a principal investor, senior lender and mezzanine lender and has established networks of wholesale investors globally to provide the necessary credit lines to build funds under management. Peter has chaired both credit and investment committees in Australia and Singapore and is an established investor in real estate, infrastructure and energy. Peter is a director of Clean Energy Partnerships Pty Ltd, a renewable energy company.
Geoffrey John Wensley Appointed 01 April 2019	Executive Director & Head of Operations	Geoff brings over 31 years of experience in the finance industry which includes some 14 years within the mortgage/funds management field performing various roles within both bank and nonbank environments. Geoff's previous positions include Operation Manager with Global Capital Corporation actioning multiple project functions, Operations Manager at MCCA Limited responsible for two interstate offices, and Team Leader (Manager) of commercial lending operations for Challenger Commercial Lending and the Challenger Howard Mortgage Fund. Challenger Commercial Lending won Money Magazine's fund manager of the year for Mortgage Trusts seven times. Geoff brings a vast knowledge of the commercial lending, mortgage trust and fund management fields. Geoff's focus is to ensure each client that engages with the Company, gains the ultimate borrowing or investment experience through the implementation of quality processes and procedures throughout the various segments of the business.
Dr Henry Pinskier Appointed 10 May 2019	Non-Executive Director	Henry is a Williamson Fellow and is a trained medical practitioner. Henry is the controlling shareholder of Medi7 Pty Ltd and Health & Allied which is a general practice and allied health services company with 100 doctors and allied health professionals across 10 sites. He is a current director of Curae Health, a vertically integrated dental services business that owns dental practices, dental laboratories and dental radiology centres. Henry is the current Chair of the John Curtin Research Centre which is a progressive research centre undertaking public policy work. Henry is also a director of PhytoGro Pty Ltd, a medicinal cannabis and Clean Energy Partnerships Pty Ltd, a renewable energy company. In the past Henry chaired the Optometry Research Ethics Committee, a director of VMIA (Victorian Govt insurance entity, a director of Disability Housing Trust and director of Alfred Hospital Health Service.

5. Investment Overview

This Section of the Prospectus highlights key information to help investors assess the risks and returns associated with this offer in order to make informed investment decisions. All investments involve risk and there is a risk to investors of a loss of either principal or interest. You should consider these risks, as detailed in the Risk Section 5.4.

5.1 Glossary

This Glossary highlights key terms and their meaning in this document.

ACL	Australian Credit License issued by ASIC pursuant to the National Credit Protection Act 2009
ADI	Authorised Deposit Taking Institution
AFSL	Australian Financial Services License issued by ASIC pursuant to the Corporations Act
Applicant/s	A person/s or entity who submits an Application Form.
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission.
ASI Notes	The secured notes offered by this Prospectus.
Board	The Board of Directors of Anglesey Secured Investments Limited.
Company, Issuer, Anglesey, ASI, We, Our, Us.	Anglesey Secured Investments Limited ACN 111 607 606 trading as ASI .
Corporations Act	Corporations Act 2001 (Cth), including regulations made for the purposes of that
Act. Directors	The Directors of Anglesey Secured Investments Limited.
Application Form	An Application Form included in or accompanied by this Prospectus.
Secured Notes	Notes issued by Anglesey Secured Investments Limited on the terms and conditions set out in this Prospectus and the Trust Deed-referred to as ASI Notes.
Interest Rate Card	An Interest Rate Card included in or accompanied by this Prospectus which sets out the current interest rates and investment terms.
Investors, You, Your	A person/s or entity who completes an Application Form, has paid their application moneys and is issued ASI Notes.
Investment Application Form	An Investment Application Form included in or accompanied by this. prospectus
Lending Ratio	Described as loan to value ratio (LVR) or percentage loaned against an asset on
valuation. Maturity Date	The date on which your “Fixed Term” investment term expires.
Offer	The offer under this Prospectus to acquire ASI Notes.
Our offices	Suite 103, Level 1 274-290 Victoria Street DARLINGHURST NSW 2010
Prospectus	The Prospectus dated the 19th September 2019
Trust Deed	The Trust Deed (as amended) between Anglesey Secured Investments Limited and the Trustee dated 12th December 2006 as amended.
Trustee	Melbourne Securities Corporation Limited ACN 160 326 545.

5.2 Business Model

This section explains what the Company does and how the Company expects to generate income and provide a return to ASI Note holders.

The Company’s business model is to raise funds from investors through the issue of Secured Notes under this Prospectus to provide for the Company’s predominant activity which is to lend those funds on the security of registered mortgages over titles to real properties (i.e. real estate) in Australia and to invest in other investments as permitted by the Trust Deed. The Company's income is derived primarily from the difference between its average interest rate on mortgage loans and investment of liquid funds and the average rate of interest paid to ASI Note holders. The Company's activities experienced a loss for the financial year ending 30 June 2018 of $116,813 and a loss of $99,916 for the 6 months ending 31 December 2018. However, the loss has narrowed subsequently with the continued growth of the mortgage book, which is now much closer to reaching a critical mass. It is anticipated that the company will reach profitability in 2020 Financial Year on the back of continued growth in the mortgage portfolio. ASI Note holders do not participate in the profits of the Company but receive a rate of return (interest) on their investments.

The key risks associated with this business model are addressed in subsection 5.4 of this Prospectus.

Details of the composition of the Company's mortgage portfolio are contained in Section 6 'ASIC Benchmarks'.

5.3 The Offer and Key Features of the Product

This subsection highlights details of the offer and key features of the product.

Anglesey Secured Investments Ltd

Anglesey Secured Investments Ltd has been in operation since 2007. During this time, it has never defaulted on a payment of principal or interest to an investor.

Amount to be raised by the offer

There are no minimum or maximum amounts to be raised under this Prospectus.

Term of the offer

This Prospectus is dated 19th September 2019. ASI Notes will not be allotted or issued after the expiry date, which is 19th October 2020.

Purpose of the offer

The funds raised under this Prospectus will be used to fund the expansion of the Company's predominant activity of lending funds to borrowers on a 'secured basis' by registered mortgages over real property not exceeding 80% of valuation, and also making other investments as permitted by the Trust Deed.

Types of investments available

Fixed Term investments ranging from 12 months to 36 months.

Is repayment of my investment secured?

Repayment of all monies that have been or may be invested with the Company is secured by a security interest over the assets of the Company in favour of Melbourne Securities Corporation Limited as trustee for the holders of ASI Notes.

How to invest

Simply complete the Investment Application Form accompanying this Prospectus and, together with your cheque, either mail it to us or lodge it at one of the Company's offices. New investors will also need to provide sufficient identification. Please contact the Company to enquire about our current identification requirements.

Who can invest?

Investments can be opened in single or joint names, or in the names of partnerships, superannuation funds, trusts, deceased estates, businesses, companies and other incorporated/unincorporated bodies. Investments for trusts and superannuation funds should be opened in the name (s) of the trustee(s).

Minimum investment amount

$5,000

Investment Terms

An Interest Rate Card accompanies this Prospectus. Applicants should confirm that the interest rates and terms are current prior to completing an Investment Application Form, either by contacting one of the Company's offices or visiting the Company's website www.angleseyinvest.com 'Fixed Term' investments attract the interest rate fixed for the term chosen by you. Investment terms range from fixed terms of 12 months to 36 months.

When is interest paid?

Interest is paid on all investments in arrears at regular intervals based on client instructions, which can be at maturity, monthly, 3 monthly or 6 monthly as displayed on the "Investment Rates Card" accompanying this Prospectus.

How is interest paid?

Interest on 'Fixed Term' investments may be added to your 'Fixed Term' investment or transferred directly to another Financial Institution.

How is interest calculated?

Interest is calculated and accrues on the investment daily from the date of receipt of your application monies.

What happens when my 'Fixed Term' Investment reaches its maturity date?

The Company's policy is that approximately 30 days prior to the maturity date of a 'Fixed Term' investment the Company will write to the Secured Note holder advising of the rates and terms available upon which funds may be reinvested for a further period. This pre-maturity letter will also state that the Company's current Prospectus, together with any relevant ongoing disclosure documents, will be available from the Company's website www.angleseyinvest.com and that investors who do not have access to the website may request a hard copy of these documents, free of charge, by directly contacting the Company's offices.

If written instructions are not received by the Company 10 business days before its maturity, the 'Fixed Term' investment shall, upon maturity, be reinvested for a similar term at the rate as at the date of maturity. A ‘Certificate of Investment’ will be forwarded to the client confirming the reinvestment.

How will I know if you have accepted my investment?

As soon as reasonably practicable and no later than 21 days from the receipt of application monies we will forward to you a ‘Secured Note Certificate’ for the fixed term Investments. If accepted by the Company, investors adding to an existing ‘Fixed Term ‘Investment will be issued with an investment receipt as confirmation.

Early withdrawal

The Company will consider early withdrawals from a ‘Fixed Term’ investment in exceptional circumstances. This will be at the sole discretion of the Company and will be subject to an adjustment of the interest rate.

In line with the Banking Exemption No. 1 of 2015, withdrawal requests to 31 days’ notice accounts will require at least 31 days' notice to be given to the Company. The Company will consider exemptions to this 31 days’ notice only in cases of hardship and compassionate grounds as per the Company's Hardship Policy.

Fees

No establishment charges, no ongoing fees and no exit fees apply to any investment/s made pursuant to this Prospectus. Government taxes are passed on to investors.

Other

The Company reserves the right to accept or reject applications and also the right to redeem early any ASI Note by giving 30 days written notice to the holder and redemption may be with or without a premium over and above interest earned up to and including the date of redemption.

More detailed disclosure is contained in Section 7 ‘Details of the Issue’, Section 6 ‘ASIC Benchmarks’ and the ‘Important Notice’ located at the front of this Prospectus.

5.4 Risks

This subsection highlights details of the key risks associated with an investment in ASI Notes.

The Company believes it has appropriate policies in place to manage and control the level of risk as detailed in Section 7.7 Security and Risk Assessment’, on page 20. This process provides a structured approach to ensure strategies are in place to meet the Company’s obligations under the Corporations Act, its AFSL as well as other core risks, including human resources, financial, technology, internal and external business and economic risks which may impact on the Company’s operation. All investments involve risk and there is a risk to Secured Note holders of a loss of either principal or interest.

THE KEY RISKS MONITORED BY THE COMPANY ARE DETAILED IN THE FOLLOWING TABLE:

Risks	Details	Further information in this Prospectus
Liquidity	Liquidity is a measure of the short term financial health of the Company. Too little liquidity may mean that the Company has insufficient cash equivalents to meet its projected cash needs. That could result in the Company being unable to meet its obligations to pay interest on Notes when due or to repay principal on maturity. Too much liquidity may also be a factor that results in reduced profits.	Refer to Benchmark 2: Liquidity under Section 6 ‘ASIC Benchmark for Unlisted Notes’ for details on how the Company manages this risk.
Financial performance	The financial performance of the Company may be influenced by many factors, including the general economic conditions, Government policy, fluctuations in market interest rates and the composition of the Company’s investment and mortgage portfolio. Too little or no profit margin will have an effect on the Company’s ability to meet its financial commitments.	Refer to Subsection 7.7 ‘Security and Risk Assessment' together with Benchmark 4: ‘Debt maturity’ and Benchmark 5: ‘Loan portfolio’ under Section 6 ’ASIC Benchmarks’, for details on how the Company manages this risk.

	Factors outside the influence of the Company, such as general economic conditions and Government policy may,	
	amongst other factors cause market interest rates to fluctuate. This may increase the risk of default by borrowers on loans or reduce the margin between interest paid on ASI Notes and the interest received on the Company’s loans. A reduction in margin may affect the profitability of the Company. Likewise, a reduction in value of real property may impact on the value of the Company’s investment portfolio. These circumstances may impact on the Company’s profit margin and the Company’s ability to pay interest and repay principal amounts of ASI Notes when they fall due. Many of the investors in the Company are from the Central Western Region of New South Wales. Their ability and willingness to invest in ASI Notes will to some extent depend on the state of the regional economy. A local recession could result in a significant reduction in investments in ASI Notes and an increase in defaults and loans made in the region. The Company is actively looking to expand the geographic diversity of its investor base. To help reduce the risk, the Company monitors cash flows, margins, expenditure, loan arrears and all legislation requirements to ensure the Company meets all its financial obligations.	
Loan portfolio	The financial circumstances of borrowers may change from time to time, as may the value of properties held as security for loans advanced and the diversification of the Company’s loan portfolio. There is a risk of borrowers defaulting on loans which may result in a loss of principal and/or interest to the Company. The ability of the Company to meet its repayment obligations to ASI Note holders is dependent upon the performance of the Company's loan portfolio together with the performance of its investment portfolio and cash flows. Diversification of the Company’s loan portfolio across a number of borrowers and variety of types of security property ranging from residential, commercial and rural helps to reduce risk. The Company believes it has appropriate policies to manage and control the level of risk as detailed in the section titled “Inherent Key Risks and Their Management”, on pages 21-22.	Refer Benchmark 5 "Loan Portfolio" together with subsection 7.7 "Security and Risk Assessment” for details of the Company’s loan portfolio which includes details of the Company’s loans past due, the lending policies the Company has adopted to manage and control risk and its approach to taking security in relation to its lending
Equity	Equity is the money invested by the owners of the Company (plus any profits	Refer to Benchmark: 1 ‘Equity Capital’ under Section 6 ‘ASIC Benchmarks’ for

	retained by the Company). If the Company had a higher level of equity it would be better able to withstand unforeseen losses on loans. If the Company did incur losses on loans which reduced its equity too far and the Company could not see an immediate turnaround, it may need to either raise more share capital or stop issuing Notes.	details on how the Company manages this risk.

5.5 Financial Information

This subsection provides key financial information about the Company's financial position and performance. The Company's net profit (loss) after tax for each of the previous 3 financial years is as follows:

2018: $(116,813), 2017: $(1710,310), 2016: $6,516

The activities of the Company are determined by the Trust Deed as outlined in Section 9.1 of this prospectus. The funds raised are predominantly utilized in mortgage lending activities. During the past 12 months, this activity did not reach the critical mass required to produce a profit. Increased lending is expected to turn this around during the 2020 financial year. The company intends to comply with Benchmark 1 and maintain an equity capital ratio of 8% or more. An increase in shareholder capital will facilitate the Company's ability to raise more funds from investors without jeopardising compliance with Benchmark 1. The Company's equity capital at 30 June 2018 was $434,504 (audited figures) at 31 December 2018 $314,543 (reviewed figures) and at 30 June 2019 $341,518 (reported figures)

As at 31 December 2018 (reviewed figures) the Company's equity capital decreased to $314,543 due to losses incurred in this period. The losses were primarily incurred on property holding costs, elevated professional fees and low returns on liquid funds.

The Directors believe the Company's current equity level is adequate given the nature of its business. However, past performance is not a guarantee of future performance.

The Company's Independent Auditors Report is set out in Section 7 of this prospectus and should be referred to for further detail. The 31 December 2018 financial figures quoted in reference to the Company's performance in this prospectus are audit reviewed figures. Further figures (unaudited) may be obtained at the Company's website displaying June 2019 quarter performance.

ASI Note holders do not participate in the profits of the Company but receive a rate of return (interest) on their investments.

5.6 Directors and Managers, Interest and Benefits.

This subsection details the Directors and Key Managers of the Company, the interest and any related party transactions.

Directors and key managers of the company are:

Peter David Wright (Executive Chairman)

Geoffrey John Wensley (Executive Director

& Head of Operations)

Dr Henry Pinskier (Non-Executive Director)

Other Key Managers:

Craig Hitchings

National Lending Executive

Company Secretary:

Geoffrey Wensley

Section 4 'Board of Directors' of this Prospectus details each Director's role and expertise.
Subsection 9.2 Directors' Interests 'Corporations Act Requirements' details the interests each Director has in the Company.

Each Director is entitled to receive dividends on their shareholdings (if any), salaries and other entitlements as employees, and Director's fees.

This Prospectus is an important document and should be read in its entirety. Before deciding to invest, you should consider whether investments in ASI Notes are a suitable investment for you. Your financial adviser may help you determine whether investing in ASI Notes is appropriate for you taking account of your objectives, financial situation and needs.

6. ASIC Benchmarks

In its Regulatory Guide 69 entitled “Debentures and Unsecured Notes – improving disclosure for retail investors” ASIC sets out some guidelines for disclosure in the form of 8 benchmarks. ASIC considers that Note Issuers should disclose whether they comply with those benchmarks and if they do not, they should explain why that is. This section of this prospectus addresses those benchmarks.

ASIC has produced an investor guide "investing in debentures?" to help investors understand and use the disclosure benchmarks and promote informed decision-making. The investor guide is available at www.moneysmart.gov.au

Benchmark 1: Equity Capital

Anglesey **does not** comply with ASIC’s benchmark with regards to equity capital as at 30/6/19. ASIC’s benchmark is that issuers should use the following equity ratio benchmarks:

(a) where more than a minor part (e.g. 10%) of the issuer’s activities is property development or lending funds directly or indirectly for property development – the issuer should maintain a minimum equity ratio of 20%;

(b) in all other cases – the issuer should maintain a minimum equity ratio of 8%;

(c) the issuer’s equity ratio should be calculated as follows:

Total Equity / (Total Liabilities + Total Equity)

(d) the issuer should disclose its comparative equity ratio from the prior year.

Explanation - If the issuer has less equity capital invested in the business, there might be no safety margin to tide things over if the business runs into financial difficulties. It could also mean that the issuer has less incentive to operate the business prudently and responsibly because less of its own money is at risk.

As at 30 June 2019 the Company’s had no loans for property development. (refer to Section 6.5 – Loan Portfolio). This may will change over time. However, historically property development has formed a minor part of the Company’s activities.

ASI did not comply with ASIC’s benchmark with regard to equity capital based on the unaudited ASIC 283 BF quarterly report for June 2019.

Paid up equity capital is the money invested by the owners of the issuer (plus any profits retained by the issuer). It provides a buffer in the event of financial difficulties and it also provides the issuer’s owners with an incentive to operate prudently and responsibly.

Equity capital is the real value of the Company at a point in time, or the owners’ value in the Company. As at 30 June 2019, ASI had $341,518 in equity capital, which was a modest decrease on the $352,395 in equity capital held at 31/12/18.

Equity capital can be expressed as a financial ratio by dividing the equity capital of the Company by the total debt of the Company plus equity capital. As at June 2019 this ratio as a percentage was 5.07%. At 30 June 2018 the equity capital ratio was 7.20%. Given the low LVR of the lending portfolio this equity capital is considered to be at a satisfactory level to support the business and provide a buffer to investors.

It is proposed to increase the Equity Capital ratio above the benchmark of 8% by either reducing the amount of notes on issue or raising new capital.

Benchmark 2: Liquidity

ASI **DOES** comply with ASIC’s benchmark with regards to liquidity.

ASIC’s benchmark is that all issuers should:

(a) have cash flow estimates for the next three months; and

(b) ensure that at all times they have cash or cash equivalents sufficient to meet their projected cash needs over the next three months.

All issuers should also disclose whether they would have cash on hand or cash equivalents sufficient to meet their projected cash needs if:

(a) the percentage of note funds to be rolled over during the next three months were 20% less than the percentage that was rolled over in the past three months; or

(b) for note funds that are held on an “at call” basis – the amount of note funds retained during the next three months were 20% less than the amount that was retained during the past three months.

Explanation – Liquidity is an important measure of the short-term financial health of an issuer or business. If the issuer has insufficient cash or liquid assets, it might be unable to meet its short-term obligations (e.g.: to run the business properly, pay interest, or pay investors their money back at the end of the term).

The Company believes that its approach to liquidity and assumptions in calculating cash on hand or cash equivalents is sufficient to meet its projected cash needs if:

(a) The percentage of ASI Note funds to be rolled over during the next three months were 20% less than the percentage rolled over in the past three months; or

(b) For ASI Note funds that are held on an "at call" basis, the amount of ASI Note funds retained during the next three months were 20% less than the amount that was retained during the past three months.

When applying the above "liquidity stress test" based on the rollover rate, the Company would still have sufficient cash levels to meet its projected cash needs. In maintaining this liquidity level, the Company does not rely on any increase in the total level of ASI Notes on issue.

The calculation for the Company's projected cash needs is prepared on a quarterly basis and more often if required to assess the Company's financial resources.

Liquidity is the amount of cash or receivables that the Company possesses to ensure it can readily meet any withdrawal of Note funds or fund the mortgage operations of the Company. As at 30 June 2019 the Company held liquidity of $1,368,536 which represented 21.48% of Notes issued. Liquid funds will vary over time. The Company targets a minimum of 12% liquidity and in the event that the Company's liquidity nears 12 % the Company will stop lending in order to increase its liquidity level. The experience of the Company has been that 12% liquidity is sufficient to cover the ongoing cash needs of the Company without relying on any increase in the level of ASI Notes on issue.

At 30 June 2109, the Company was experiencing 85% rollover of maturing Notes for the preceding 3 months. The rollover of maturing Notes for the quarter ending 30 June 2018 was 98%, and for the quarter ending 31 December 2018 was 85%

The Company reviews cash flows on a 3-monthly basis and monitors its financial resources (new Note holders, loan repayments and loan advances) on a day-to-day basis to ensure compliance with its targeted liquidity policy of 12%.

If the Company experiences a 20% decrease in retaining maturing Notes being rolled over in the next 3 months, the Company would have sufficient cash levels to meet its projected cash needs.

Benchmark 3: Rollovers

ASI **DOES** comply with ASIC's benchmark with regards to Rollovers

ASIC's benchmark is that note issuers disclose their approach to rollovers, including whether the 'default' is that Secured Note investments with them are automatically rolled over upon maturity. The Company's policy is that approximately 30 days prior to the maturity date of a 'Fixed Term' investment the Company will write to the Secured Note holder advising of the rates and terms available upon which funds may be reinvested for a further period. This pre- maturity letter will also state that the Company's current Prospectus, together with any relevant ongoing disclosure documents, will be available from the Company's website www.angleseyinvest.com and that investors who do not have access to the website may request a hard copy of these documents, free of charge, by directly contacting the Company's offices.

If written instructions are not received by the Company 10 business days before its maturity, the 'Fixed Term' investment shall, upon maturity, be reinvested for a similar term at the rate as at the date of maturity. A 'Certificate of Investment' will be forwarded to the client confirming the reinvestment.

Benchmark 4: Debt Maturity

ASI **DOES** comply with ASIC's benchmark with regards to Debt Maturity.

ASIC states that all issuers should disclose:

(a) an analysis of the maturity profile of interest-bearing liabilities (including notes on issue) by term and value; and

(b) the interest rates or average interest rates applicable to their debts.

This benchmark assists investors to understand how the business is funded in terms of the nature, timing and costs of the issuer's debt obligations. As at 30 June 2019 the total value of notes on issue was $6,369,862 with a maturity analysis of:

Term	Amount	Number	Percent
Due before 30/09/19	$69,156	1	1%
Due between 01/10/19 and 31/05/20	$2,610,653	24	41%
Due after 01/06/20	$3,690,052	21	58%
Total	$6,369,862	46	100%

The Company reserves the right to redeem any ASI Notes early, by giving 30 days' notice to the holder and redemption may be with or without a premium.

The average interest rate applicable to the above funds as at 30 June 2019 was 4.975%.

Benchmark 5: Loan Portfolio

ASI **DOES** comply with ASIC's benchmark with regards to Loan portfolio diversification and security

ASIC's benchmark is that Secured Notes issuers who lend on funds should disclose the current nature of their loan portfolio and their policies in relation to these matters.

ASI's loan portfolio at 30 June 2019 was as follows:

(a) The Company had 21 loans totalling $4,686,861

(b) The Company's mortgage documents provide for its loans to be called up on at 30 days' notice. With the exception of one loan with a remaining term of four years, all loans have been written with renewable maturity dates of between one to three years.

(c) The weighted average interest rate charged on loans at 30 June 2019 was 9.085% and ranged from 7% to 10.04%.

Mortgage loans by purpose and location as at 30 June 2019:

Loan Purpose	Loan Amounts	No. of Loans	Percent
Rural	$2,190,256	10	46.7%
Commercial	$2,496,605	11	54.3%
Development	$0	0	0%
Total	$4,686,861	21	100%
Security Location	Loan Amounts	No. of Loans	Percent
NSW	$3,649,755	15	78%
QLD	$0.00	0	0%
VIC	$1,037,106	6	22%
Total	$4,686,861	21	100%

(d) As at 30 June 2019 there were six loans in arrears for greater than 30 days for an amount of $1,640,637 plus interest arrears of $46,921.

(e) All loans are secured by a registered mortgage over real property and water licenses; where appropriate. When considered necessary by the Company, additional security in the form of personal property security and 2nd mortgages over real property may also be taken to ensure that the risk of recovering funds is minimised.

(f) The 10 largest loans totalled $3,357,769 equal to 69% of total loans by dollar value and 48% of loans by number. The largest individual loan is $512,101 and accounts for 10.96% of the loan book.

(g) No loans are subject of legal proceedings for cost recovery.

Generally speaking, a large number of loans in a diverse or less concentrated portfolio will reduce the risk exposure to any single adverse event. For further information with regards to the above, together with details relating to the intended nature of the Company's loan portfolio and the lending policies the Company has adopted to manage and control risk are contained in Section 7.7 'Security and Risk Assessment' and Section 7.8 'Permitted Investments' of this Prospectus.

Benchmark 6: Related Party Transactions

ASI **DOES** comply with ASICs benchmark with regards to related party transactions

ASIC's benchmark is that Secured Note issuers who on-lend funds should disclose their approach to related party transactions, including how many loans they have made to related parties and the value of those loans, and what assessment and approval process they follow with related party loans.

The Company does not lend funds to related parties and has not made any loans to related parties of the Company as of the date of this prospectus.

On occasion, the Company and entities related to the company may choose to invest surplus funds with entities for which the Trustee may also provide trustee services.

Benchmark 7: Valuations

ASI **DOES** comply with ASIC's benchmark with regards to valuations.

ASIC's benchmark is that Secured Note issuers who lend monies for property related transactions, should take the following approach to valuations:

(a) properties (i.e. real estate) should be valued on an 'as is' and (for development property) 'as if complete' basis;

(b) development properties should be revalued at least every 12 months unless the funds are retained by the issuer and only released in stages to cover project completion costs;

(c) issuers should have a clear policy on how often they obtain valuations including how a recent valuation has to be when they make a new loan;

(d) issuers should establish a panel of valuers and ensure that no one valuer conducts more than one third of the issuers valuation work; and

(e) appointment of valuers should be with the Trustee's approval.

Issuers should also include information about the valuation of a particular property in the issuer's prospectus where:

(a) the property accounts for 5% or more of the total value of property assets of the issuer; or

(b) a loan secured against the property accounts for 5% or more of the total value of the issuers' loan book.

Information about valuations assists investors to assess risks associated with lending policy. Details of the nature of the Company's loan portfolio, together with the lending policies the Company has adopted to manage, and control risk are contained in Section 7.7 'Security and Risk Assessment' and Section 7.8 'Permitted Investments' of this Prospectus.

The Trust Deed allows the Company to rely on a valuation from an 'approved valuer' which may include an independent and duly qualified valuer approved by the Trustee or a Valuer General or corresponding official (a municipal valuer) when approving mortgage finance. The Company may lend up to 70% of a municipal valuation where the property is known to a Director, or where it is supported by an arm's length purchase. In these circumstances the Company may lend up to 70% of the municipal valuation or purchase price, whichever is the lesser. The Company acknowledges that every loan approval is different, so a decision should be made in relation to each loan on its merits, and its valuation requirements at the approval stage based on the Directors' experience, with input from consultants if considered necessary.

When approving a mortgage loan, the Company reserves the right to obtain on any future dates an up to date valuation of the property or properties offered as security at the borrower's expense. The Company may exercise this option at its discretion during the term of a loan.

In relation to the benchmark set out in paragraph (d), the Company has established a panel of valuers, however, the Company will generally instruct a valuer local to the area in which the secured property is located, thus utilising the valuer's local knowledge expertise. Accordingly, as the Company has historically lent predominantly in regional areas and with limited local valuers available, it is possible that in the future more than one third of the property valuations may be conducted by the one valuer, but at this stage the Company meets the requirements of no one valuer conducting more than one third of valuations.

At 30 June 2019, the Company had 6 loans that accounted for 5% or more of the total value of its loan book and these loans collectively total $2,730,969. The Company has sworn valuations for a total of $3,764,000 for security for these 6 loans, as valued by 6 different valuers, (refer to table below "valuations for loans greater than 5% of the loan book"). These valuations were by summation and direct comparison. The appointment of independent and qualified valuers to the ASI panel of valuers has been approved by the Trustee.

The Company also owns one real property at 52-70 Church Street, Forbes. This has been valued at $660,000 in September 2016.

VALUATIONS FOR LOANS GREATER THAN 5 % OF LOAN BOOK			
Loan Amount	% of Loan Book	Property Value $	Date of Valuation
$346,534	7.1	535,000	October 2014
$295,094	6.0	729,000	January 2010
$514.252	10.5	2,500,000	May 2017
$494,359	10.1	5,000,000	December 2017
$691,607	14.2	990,000	March 2018
$389,123	8.1	485,000	July 2016

Benchmark 8: lending principles – loan to valuation ratios

ASI **DOES** comply with ASIC's benchmark with regards to lending principles – loan to valuation ratios.

The loan-to-valuation ratio (LVR) is the value of the loan expressed as a percentage of the property value if the loan is for $80,000 and the value of the property is $100,000 then the LVR is 80%.

ASIC's benchmark is that Note issuers who on-lend funds in relation to property related activities, should maintain the following loan-to-valuation ratios:

(a) where the loan relates to property development – 70% on the basis of the latest 'as if complete' valuation; and (as previously disclosed, ASI does not make loans related to property development)

(b) in all other cases – 80% on the basis of the latest market valuation.

Where the loan relates to property development by a second person (even if related to the issuer), issuers should ensure that funds raised by the issue of Secured Notes are only provided to the developer in stages, based on external evidence of the progress of the development.

A higher loan-to-valuation ratio indicates a potentially higher level of risk of a loss in the event of default by a borrower which could result from a downturn in property markets. It is a measure of how aggressive a company's lending policies are. The Company's LVR's are limited to a maximum of 80% for all loans and 70% for the "on completion" value of development loans, (unless lenders mortgage insurance is obtained); which it considers to be a prudent level. The current loan-to-value ratio of the loan book at 30 June 2019 was 45.3% for all loans. Notwithstanding the Company's policy as to development loans, as at 30 June 2019, the company did not have any development loans.

Details of the nature of the Company's loan portfolio, and also the lending policies the Company adopts to manage and control risk, are contained in the discussion on Benchmark 5 and Section 7.8 'Permitted Investments' of this Prospectus.

7. Details of the Issue

Secured Notes are documents issued by the Company to acknowledge its indebtedness to investors in respect of money deposited with or lent to the Company.

This Prospectus offers to the public for subscription Secured Notes of $1.00 each. Investment terms may be made for 'Fixed Terms' that vary from 12 months to 36 months at the rates of interest detailed in the current Interest Rate Card accompanying this Prospectus. Applicants are advised to confirm the interest rate and investment term with the Company prior to completing the Investment Application Form to ensure that the Interest Rate Card and Investment Application Form are current. There is no minimum amount or maximum amount to be raised by this Prospectus. Subscriptions for Secured Notes may only proceed on the Investment Application Form accompanying this Prospectus. **No Notes will be issued on the basis of this Prospectus after the expiry date specified on page 2.**

7.1 Purpose of this Prospectus

The Company seeks to raise additional funds from investors through the issue of Secured Notes. This will provide for the expansion of the Company's principal activities of lending money on the security of registered mortgages over titles to real properties and investment in other investments permitted by the Trust Deed dated 12 December 2006, as amended from time to time. The parties to that Trust Deed from 14 February 2017 are the Company and Melbourne Securities Corporations Limited (the "Trustee") as trustee for the Note holders (the Trust Deed). The permitted investments of the Company are set out below and in Section 7.8.

The Trust Deed provides that the permitted investments for funds deposited with the Company depend upon the level of the Company's assets and liabilities.

Investments under the Trust Deed are not restricted if at the time an investment of money deposited with the Company in respect of Notes is proposed to be made, the level of the Company's secured and unsecured liabilities does not exceed 93% of its total tangible assets calculated in accordance with generally accepted accounting principles. The Company's <u>liabilities</u> as at 30 June 2019 (based on unaudited figures) <u>did exceed 93% of total tangible assets</u>.

At any time when the Company's secured and unsecured liabilities exceed 93%, the Company may invest money deposited with the Company in respect of issued Notes in a limited range of authorised investments (these are described in Section 7.8). The Company can retain any investment it has made or renewed at a time when it satisfies the capital adequacy ratio even though the capital adequacy ratio may subsequently be exceeded, and the investment is not an authorised investment as described in Section 7.8. As the Company's liabilities as at 30 June 2019 exceeded 93% of total tangible assets, and until that percentage falls below the 93% threshold, the Company's investment activities will be confined to the limited range of "authorised investments" as set out in Section 7.8. However, given the nature of the Company's business model of investing in first ranking mortgaged loans the Company does not consider its business operations will be adversely affected by its liabilities exceeding the 93% threshold.

Joint 1st mortgages are permitted to be made by the Company with other persons where each party's interests as 1st mortgagee is as a tenant in common and if the borrower defaults, the Company may exercise the power of sale conferred by the mortgage on behalf of all the parties.

The Company must be named as mortgagee in any mortgage or joint mortgage.

Irrespective of whether the Company's investment ability is limited to investment in a range of authorised investments or is unrestricted, the Company will continue to maintain its predominant business of the provision of finance to the public on the security of registered mortgages over real property.

7.2 How to Invest

To invest in Secured Notes, you must complete the Investment Application Form accompanying this Prospectus and, together with your cheque, lodge it at one of the Company's offices listed on page 5 of this prospectus. Instructions can be found on the Investment Application Form.

Unless the Company otherwise agrees, a minimum initial investment of $5,000.00 is applicable.

Subsequent investments may be for any amount. The Company may vary the products and minimum investment amounts from time to time. The Company reserves the right to accept or reject applications.

Joint Secured Note holders must indicate on the Investment Application Form whether the authority to operate the investment requires all or any one or more of the Secured Note holders to sign any written request to the Company. If no election is made, all joint Secured Note holders must sign all notices, requests or communications to the Company. All joint Secured Note holders must sign any documents relating to the transfer of Secured Notes or an application for replacement of a Certificate of Secured Notes. The Company will acknowledge allotment of ASI Notes as soon as reasonably practicable and, in any event, within 21 days of receipt of application monies by forwarding to you a 'Certificate of Secured Notes' for the 'Fixed Term' investments. An investor already holding Secured Notes in a 'Fixed Term' investment may request the Company to issue additional Secured Notes with a maturity date which is the same as the Secured Notes already held by the investor in that investment.

The Company, in its absolute discretion, may accept the request and issue the additional Secured Notes for the remaining period of that existing 'Fixed Term' investment. In that event, the interest rate for the additional Secured Notes may differ to the interest rate applicable in the existing Secured Notes. An investment receipt will be issued acknowledging the additional allotment of Secured Notes.

7.3 Payment of Interest

The Company issues Secured Notes with varying investment periods and interest rates. Secured Notes for a 'Fixed Term' provide a fixed rate of interest for the period of the investment. Current interest rates and investment terms for Secured Notes are set out on the Interest Rate Card accompanying this Prospectus. Please confirm with the Company's registered office the interest rate and the investment period before you complete the Investment Application Form, to ensure that the terms and interest rates shown on the Interest Rate Card are current.

Interest accrues daily on all Secured Notes from the date the Company receives your application monies, except if received after 4.00pm in which event interest will accrue from the next business day that is not a Saturday or Sunday or proclaimed bank holiday in the State Office in which the office where the application is lodged is located.

Interest on 'Fixed Term' investments is payable at maturity, except for twelve, twenty-four and thirty-six-month investments which pay interest monthly, quarterly, half yearly, yearly or on maturity in arrears from the date of investment as requested.

Interest may be added to the 'Fixed Term' investment or transferred directly to another financial institution in accordance with your payment instructions.

The method of payment should be indicated by you on the Investment Application Form. Interest is automatically reinvested if no election is made. The Company will issue a Certificate of Secured Notes allotted recording the terms and conditions of each reinvestment.

Interest on existing 31-day access accounts is calculated on the last day of the month and is credited to that investment. The interest rates on existing 31-day access investments may be varied without notice. Holders of 'Fixed Term' investments may vary their payment instructions from time to time by written request to the Company.

All interest payable on Secured Notes is secured under the Trust Deed. For further details refer to Section 9.1.

7.4 Variation of Interest Rates and Investment Terms Offered

During the currency of this Prospectus, the Company reserves the right to vary any of the interest rates or investment terms offered from time to time. A variation in interest rate or investment term will not affect Secured Notes of a 'Fixed Term' investment already issued.

Where we receive your Investment Application Form and it does not specify an interest rate or term or specifies an interest rate which is not the current interest rate (i.e. the interest rate on the day the Investment Application form is received) for investments of the amount and the term specified in your Investment Application Form, the Company will at its option either: -

(a) Repay the money received from you; or

(b) Give you:

- (i) a notice that informs you of the error and your rights to be repaid or to have the Secured Notes issued at the correct rate or term in accordance with ASIC Corporation (Debenture Prospectuses) Instrument 2016/75; and
- (ii) 1 month to withdraw your Investment Application Form and be repaid; or

(c) Issue the Secured Notes to you at the current interest rate and giveyou;

- (i) the notice referred to in (b) (i) above; and
- (ii) 1 month to withdraw your Investment Application Form and be repaid.

When the interest rate specified on your Investment Application Form is higher than the current interest rate, the Company may elect to issue the Secured Notes to you at the higher interest rate.

7.5 Repayment of Principal and Interest

A ‘Fixed Term’ investment, together with interest accrued, will be repaid in part or in full at its maturity date upon receipt of a written signed withdrawal request from the Secured Notes holders. Prior to the maturity date of a ‘Fixed Term’ investment, the Company will notify the Secured Notes holder in writing, of the rates and terms upon which funds may be reinvested for a further period. This pre- maturity letter will also state that the Company’s current Prospectus document, together with any relevant ongoing disclosure documents, will be available from the Company website www.angleseyinvest.com. Investors who do not have access to the website may request a hard copy of these documents, free of charge, by contacting the Company directly through the contact details shown in the Corporate Directory at the front of this Prospectus. If written instructions are not received for a renewal of a ‘Fixed Term’ investment 10 days before its maturity date by the Company, the ‘Fixed Term’ investment shall, upon maturity, be reinvested, in the absolute discretion of ASI, for a similar term at the current rate of interest payable at the time applicable to that term. A ‘Certificate of Investment’ will be forwarded confirming the reinvestment.

Payments are forwarded to the address of the Secured Notes holder in the Company register. For joint Secured Notes holders, payment is forwarded to the address of the 1st named holder. The Company should be notified of any change to the address of the Secured Notes holder. Payments are forwarded to the address of the Secured Notes holder identified in the Company register. For joint Secured Notes holders, payment is forwarded to the address of the first named holder. The Company should be notified of any change to the address of the Secured Notes holder.

All requests should be signed in accordance with the authority to operate the investment indicated on the Investment Application Form.

The Company reserves the right to redeem early any Secured Notes by giving 30 days written notice to the holder and redemption may be with or without a premium.

7.6 Withdrawal before Maturity

The Company will consider requests by Secured Notes holders who, through unforeseen and exceptional circumstances or hardship, wish to withdraw the whole or part of a ‘Fixed Term’ investment before its specified maturity.

In the event of the death of a sole Secured Notes holder, the Company will pay to the Secured Notes holder's legal personal representative the whole or any part of the amount invested, subject to any legal requirements. In the event of death of a joint Secured Notes holder, the interest of the deceased joint Secured Notes holder will revert to the surviving joint Secured Notes holder or surviving joint Secured Notes holders. In line with the Banking exemption No. 1 of 2015, withdrawal requests to 31 day notice accounts will require at least 31 days' notice to be given to the Company.

The Company will consider exemptions to this 31day notice only in cases of hardship and compassionate grounds as per the Company's Hardship Policy. In all circumstances, early repayment shall be at the absolute discretion of the Company and will only be permitted on the proviso that redemption does not materially impact the Company’s liquidity position, or its capacity to meet near term obligations. Early redemptions will be subject to an adjustment of the rate of interest by 1%pa from the date of investment. Should insufficient interest have accrued at the date of redemption, this amount will be deducted from the principle investment sum. All withdrawal requests should be signed by the Secured Notes holder/s (or their legal personal representative/s) in accordance with the authority to operate the investment indicated on the Investment Application Form.

7.7 Security and Risk Assessment

Repayment of all monies that have been or may be invested with or lent to the Company for investment in Secured Notes is secured by a 1st ranking registered fixed and floating charge to the Trustee for the benefit of Note holders as security for the repayment of capital and interest by the Company.

The assets that constitute the security for the charge given in favour of the Trustee is sufficient and is reasonably likely to be sufficient to meet the liability for repayment of all such monies (including investor’s principal and interest) and all other liabilities ranking equally with, or in priority to the liabilities that have been or may be incurred.

The Trustee has a duty to exercise reasonable diligence to ascertain whether or not the property of the Company and any guarantor that is or should be available (whether by way of security or otherwise) will be sufficient to repay the amount deposited or lent when it becomes due and to ascertain whether or not the Company has committed any breach of the terms of the Trust Deed (further details are contained in Section 9.1 of the Prospectus) or of Chapter 2L of the Corporations Act 2001 (Cth). Neither the Trustee, its associates or related companies nor any of their respective officers, employees or agents nor the Directors or other officers or employees of the Company guarantee the obligations of the Company. The Trustee will exercise reasonable diligence to ascertain from the Directors Certificate, Directors Report or accounts made available to it under the Trust Deed, whether or not the Company or any guarantor has committed any breach of any obligations or provisions related to any Security Stock contained or imposed by the Trust Deed (further details are contained in Section 9.1 of this prospectus).

The risk to you of any loss of capital or interest depends on the financial performance of the Company.

An assessment of the risks associated with an investment in Secured Notes should include consideration of the Company's assets (including mortgage securities), economic factors which may affect the ability of the Company's borrowers to meet loan commitments and the Company's financial performance. The financial performance of the Company will be affected by many factors, including fluctuations in market interest rates, government policy and the composition of the Company's investment and mortgage portfolio. Market interest rates may be influenced by government policies and general economic conditions. The investments of the Company are predominantly registered mortgages, and therefore investment performance and the prospects of the Company will be dependent on, amongst other things, prevailing mortgage interest rates, economic conditions and the interest rates applicable to the Company's loan portfolio. Interest rates paid by the Company are determined by the market conditions as a whole.

7.7.1 Inherent Key Risks and Their Management

Investors should be aware that an investment in Secured Notes is subject to a number of general and specific risks. Specific risks may be mitigated by safeguards, but General risks, (including regulatory, economic, political, social, and taxation risks) may be outside of the Company's control.

Specific risks include:

(A) **Performance risks** - This is the risk of a loss to investors and depends upon the financial performance and future certainty of the Company and its ability to meet its commitments to you. The Company posted a loss of $99,961 for the half year ended 31 December 2018, (compared with a loss of $47,189 for the half year ended 31 December 2017) and a loss of $116,813 for the year ended 30 June 2018. Please refer to the financial accounts in Section 7 of this Prospectus. The Company losses for the half year ended 31 December 2018 and 30 June 2018 were largely the result of expenditure on a company owned property located at 54 McDonnell Street, Forbes which has subsequently been sold. No expenditure on this property has been recorded to 30 June 2019; and no further losses of this nature moving forward are expected.

(B) Loan default risk - An inherent performance risk is that of a loan going into default, and the Company not receiving interest from the borrower for an extended period of time. The Company could be exposed to the risk of a reduction in property valuations if there was a significant decline in Australian property values. The Company believes it has appropriate policies to manage and control the level of risk as detailed in the Sections 5 and 7 of this Prospectus.

The average loan size to any one borrower at 30 June 2019 was $221,502. The Company believes that its equity capital is sufficient to carry an average loan to its recovery stage, should there be a default. However, for as long as the Company has a relatively low level of Secured Notes on issue, any loans it makes will represent a significant percentage of its loan book and accordingly represent a greater concentration of lending risk than would be the case with a larger loan portfolio. ASIC identified that a main cause of companies failing was predominantly lending directly or indirectly to related corporations for risky developments. The Company has made no loans to related parties and currently has no exposure to development loans. It is the Company's intention not to advance more than 10% of its loan portfolio for development loans.

Due to the nature of the Company's business of providing finance in rural areas there is a risk that borrowers may have difficulty in meeting their obligations due to a variety of factors such as adverse climatic conditions for farmers, bad management practices or the death of a borrower to name a few. There is a risk in these circumstances that loans may fall into arrears by more than 90 days which may require the Company to commence recovery proceedings.

7.7.2 Lending policies

The Directors of the Company have adopted the following lending policies to manage and control the Company's level of risk:

- All loan applications must be approved by a majority of Directors.
- When assessing a loan application for approval, a complete application by the borrower is reviewed and an assessment is made of the borrower's financial capability to meet repayment requirements and the adequacy of security to be provided by the borrower.
- All loans require the security of a registered mortgage over real property and for rural properties a mortgage over real property and where available a mortgage over a Water Share Entitlement. The Water Share entitlement which is the subject of the Mortgage of Water Share security for the loan specifies an entitlement, access license, share or unit (by whatever named called) of the landowner or title holder of the real property which is the subject of the mortgage of real property for that loan.

A second mortgage will only be considered if the aggregated amount of the first and second mortgages does not exceed 80% of the value of the property concerned. All mortgages are registered.

- No funds are advanced without either

(i) a valuation report by a qualified valuer approved by the Trustee which indicates that the proposed loan does not exceed 80% of the value of the security offered unless the Company has the benefit of mortgage insurance: or

(ii) a municipal valuation which indicates that the proposed loan does not exceed 70% of the value of the security.

- While the Company currently has no development loans, when considering an application for a property development loan, the market value of the development on completion would be used to calculate the loan to valuation ratio, in accordance with the Company's lending practice. The market value would be assessed by a qualified valuer approved by the Trustee.
- Loans relating to property development will be made on a progressive basis. The Company will restrict draw down of the loan based on the cost to complete the development, as assessed by an approved valuer or quantity surveyor approved by the Company, to ensure that the Company retains sufficient funds to complete the development without exceeding the Company's lending policies.
- The Company may approve a loan on the basis that interest will be capitalized to the loan balance each month and the clearance of the debt pending the sale of all or part of the security held. The Company requires that the aggregate of the loan and capitalized interest must not at any time exceed 70% of the value of the security for a development loan and 80% for a non- development loan.
- Where appropriate, the Company carries out credit checks or other independent enquiries in respect of loan applicants.
- The maximum loan amount to any one borrower (or that borrower's associates as defined in the Corporations Act 2001 (Cth) is ten percent of the total funds invested in Secured Notes at the time of the loan advance.
- The internal procedures of the Company include monthly monitoring of any default by the borrower in payment of principal and interest.
- Loans can be approved conditional upon the Company receiving a satisfactory valuation.

7.8 Permitted Investments

The Trust Deed provides that the permitted investments will depend upon the level of the Company's assets and liabilities, except that the Company must at all times maintain seven and a half per cent of the principal moneys invested in, or deposited with, any of the following:

(a) A bank

(b) A subsidiary of a bank

(c) Bank accepted or endorsed bills of exchange

(d) An Australian Authorised Deposit-taking Institution (ADI),

(e) A cash management trust or a cash common fund within the meaning of Part VII of the Trustee Companies Act 1984 of the State of Victoria or a corresponding State or Territory law,

(f) Bonds, stocks or other securities issued by, or guaranteed by, the government of the Commonwealth or of a State or Territory,

(g) A member of the Provisional Finance Group Inc. which holds an Australian Financial Services License.

Save for this restriction, the permitted investments are not otherwise restricted under the Trust Deed if, at the time an investment of monies invested with the Company in respect of Secured Notes is proposed to be made, the level of the Company's total external liabilities does not exceed 93% of its total tangible assets calculated in accordance with generally accepted accounting principles. (the 'capital adequacy ratio').

The Company can retain any investment it has made or renewed at a time when it satisfies the capital adequacy ratio even though the capital adequacy ratio may subsequently be exceeded, and the investment is not an authorised or permitted investment.

When the capital adequacy ratio is not met, the authorised or permitted investments for funds invested with the Company will be as follows:

1. Loans on mortgage of real property where:

(a) the Company or a guaranteeing subsidiary is named as mortgagee in the mortgage; and

(b) the amount advanced under the mortgage and any prior or equal ranking security in aggregate is no more than 80% of the value of the secured property as certified by an approved valuer; unless lenders insurance is in place and then the LVR may be greater than 80% under clause 11.2(a)(i)(b); and

(c) the total value of all such loans made by the Company to any one person and that person's associates shall not exceed ten percent (10%) of the principal monies at the time the loan (or any subsequent loan) is advanced by the Company to that person or the person's associates.

2. Loans on mortgage of real property and mortgage of water share/license where:

(a) the water share which is the subject of the mortgage of water share for the loan specifies an entitlement, access license, share or unit (by whatever name called) of the landowner or title holder of the mortgage of real property for that loan; and

(b) the Company or a guaranteeing subsidiary shall be named as mortgagee in the mortgage of real property and mortgagee in the mortgage of water share/license; and

(c) the amount advanced under the mortgage of real property and mortgage of water share/license and any prior mortgage on the security of any real property and mortgage of water share/license shall not exceed 80% of the aggregate value of the real property and the water share as certified by an approved valuer and/or shall not exceed 80% of the aggregate value of the real property and the water share as respectively certified by an approved valuer and approved water broker unless the Company has the benefit of insurance of the amount of the loan which exceeds 80% of the aggregate value of the real property and water share/license; and

(d) the total value of all such loans made by the Company to any one person or that person's associates (as defined in the Corporations Act 2001 (Cth) shall not exceed 10% of the monies invested with the Company in respect of issued Secured Notes at the time the loan (or any subsequent loan) is advanced by the Company to that person or the person's associates.

3. Investment in real property provided that no more than 10% of the monies invested with the Company in respect of issued Secured Notes is invested in real property;

4. Monies on deposit with, or invested with, one or more of the following:

(a) a bank

(b) a subsidiary of a bank

(c) bank accepted or endorsed bills of exchange;

(d) an Authorised Deposit Taking Institution;

(e) a cash management trust or a cash common fund within the meaning of Part VII of the Trustee Companies Act 1984 (Victoria) or a corresponding State or Territory law;

(f) bonds, stocks, or other securities issued by, or guaranteed by, the Government of the Commonwealth or of a State or Territory or local government authority of Australia;

(g) any authority under the Water Act 1989 or any License under the Water Industry Act 1994 (Victoria) and the Water Management Act 2000 NSW);

(h) a member of the Provisional Finance Group Inc. which holds an Australian Financial Services License;

(i) a public authority.

5. Deposit with, loan to, or purchase of, bills of exchange, promissory notes, certificates of deposit or other negotiable instruments which are accepted, drawn or endorsed by a Public Authority at the time of the deposit, loan or purchase;

6. A loan to any person where:

(a) the Company has security rights or a right of contractual set-off on such terms and conditions acceptable to the Company over Secured Notes issued by the Company for an amount of not less than 100% of the amount advanced under any such loan; and

(b) if the borrower is not the person providing the Secured Notes as security, a holder of the Secured Notes must also guarantee and indemnify the Company or a guarantor in respect of the obligations and liabilities of the borrower under such loan on such terms acceptable to the Company before any such loan is made.

7. Any investment in a person which has:

(a) a credit rating issued by Standard & Poor's (Australia) Pty Limited and its affiliates of 'AA' or higher; or

(b) an equivalent credit rating issued by a ratings agency approved by the Trustee.

8. Any investment in securities which have:

(a) a credit rating issued by Standard & Poor's (Australia) Pty Limited and its affiliates of 'AA' or higher for long term securities or 'A1+' or higher for short term securities; or

(b) an equivalent credit rating issued by a ratings agency approved by the Trustee.

9. Any investment in which a Trustee may invest trust funds under Part 1 of the Trustee Act 1958 (Victoria) provided that no more than 10% of the monies invested with the Company in respect of issued Secured Notes is invested in such investments.

Irrespective of whether the Company's investment ability is limited to investment in a range of authorised or permitted investments or is unrestricted, the Company's present intention is to continue to maintain its predominant business of the provision of finance to the public on the security of registered mortgages over real property and water share/licenses in Australia with the money advanced not exceeding 80% of the 'as is value' of the security property.

Subject to prior written notification of the Trustee, joint mortgages are permitted to be made by the Company with other persons where each party's interest as mortgagee is as a tenant in common and if the borrower defaults any party may exercise the power of sale conferred by the mortgage on behalf of all the parties. The Company must be named as mortgagee in any mortgage or joint mortgage. For any such investment that constitutes an investment in a managed investment scheme, the scheme is to be registered if it is required by law to be registered.

7.9 Fees and Brokerage

No entry or exit fees apply to an investment in Secured Notes pursuant to this Prospectus. The Company may elect to pay fixed brokerage and/or trail commissions to Australian Financial Services Licensees, their authorised representatives or other persons permitted by law on applications received from them. If so, the maximum rate for fixed brokerage will be up to 1 percent of the amount subscribed for Secured Notes and the maximum trail commission will be up to one (1) percent per annum of the amount subscribed. No brokerage or trailing commission is payable by the Secured Note holder/s.

Federal and State government taxes payable on investments and withdrawals are passed on to the Secured Notes holders.

8. Financial Information

The December 2018 review was prepared by John L Bush & Campbell auditors, who also audited all information as at 30 June 2018.

The financial reports for the half year ended 31 December 2018 and the full year ended 30 June 2018 are presented in this section. The financial information should be read in conjunction with the notes to, and forming part of, the financial information.

8.1.

ANGLESEY SECURED INVESTMENTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018

	31-Dec-18	31-Dec-17
	$	$
Interest revenue	189,259	196,390
Interest expense	(146,891)	(139,966)
Net interest revenue	42,368	56,424
Non-interest revenue	720	31,763
Other expenses	(143,049)	(135,376)
Profit before income tax	(99,961)	(47,189)
Income tax expense		
Net Profit from Ordinary Activities after Income Tax	(99,961)	(47,189)
Other comprehensive income		
Total Change in Equity other than those resulting from transactions with Owners as Owners	(99,961)	(47,189)
Earnings per share (cents per share)	(0.20)	(0.09)

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts.

8.2.

ANGLESEY SECURED INVESTMENTS LIMITED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 DECEMBER 2018

	31-Dec-18	30-Jun-18
ASSETS	$	$
Cash and cash equivalents	1,914,263	892,947
Loans and advances	4,009,519	4,552,992
Investment Properties	660,000	942,359
Trade and other receivables	6,890	22,672
TOTAL ASSETS	6,590,672	6,410,970
LIABILITIES		
Trade and other payables	41,955	36,045
Interest-bearing liabilities	6,234,174	5,940,422
TOTAL LIABILITIES	6,276,129	5,976,466
NET ASSETS	314,543	434,504
EQUITY		
Issued capital	1,021,000	1,021,000
Retained earnings	(706,457)	(586,496)
TOTAL EQUITY	314,543	434,504

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts.

8.3.

ANGLESEY SECURED INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Issued Capital	Issued Preference shares	Retained Earnings	Total
Balance at 1 July 2017				
Opening balance	456,000	565,000	(469,683)	551,317
Surplus (deficit) for the year			(1 I6,813l	(116,813)
As at June 30 2018	456,000	565,000	(586,496)	434,504
Balance at 1 July 2018				
Opening balance	456,000	565,000	(586,496)	434,504
AASB 9 - Financial instrument adjustment			(20,000)	(20,000)
Surplus (deficit) for the year			(99,961)	(99,961)
As at 31 December 2018	456,000	565,000	(706,457)	314,543

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts.

8.4.

ANGLESEY SECURED INVESTMENTS LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER2018

	31-Dec-18	31-Dec-17
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	205,041	225,686
Interest paid	(146,890)	(140,207)
Receipts from other services	720	1,229
Payments to suppliers	(137,139)	(90,364)
Net Cash Provided By (Used In) Operating Activities	(78,268)	(3,656)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investment properties	282,359	
Net (Increase) / Decrease in Customer Loans	523,473	(1,142,547)
Net Cash Provided By (Used In) Investing Activities	805,832	(1,142,547)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	293,752	673,528
Net Cash Provided By (Used In) Financing Activities	293,752	673,528
Net increase in cash held	1,021,316	(472,675)
Cash at the beginning of the period	892,947	1,088,017
Cash at the end of the period	1,914,263	615,342

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts.

8.5.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

NOTE 1: BASIS OF PREPARATION

The half-year financial statements are a general-purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Anglesey Secured Investments Limited during the half year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

With the exception of AASB9: - Financial Instruments and AASB15: - Revenue, which have been applied for the first time in this reporting period (the later having no impact on the financial statements), the accounting policies have been consistently applied and are consistent with those in the 2018 annual reports.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The critical estimates and judgements are consistent with those applied and disclosed in the June 2018 annual report.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2018

	31-Dec-18	31-Dec-17
	$	$
NOTE 2 - PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
Income		
Unrealised gain on investment property		
Expenses		
Auditors Remuneration	15,125	12,100

NOTE 3 - DIVIDENDS

No dividends were paid or provided for during the period.

NOTE 4 - SEGMENT REPORTING

The Company operates predominately in one business and geographical segment being the issuing of debentures and provision of mortgage finance over real property.

ANGLESEY SECURED INVESTMENTS LIMITED DIRECTORS DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes

    (a) Comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations and

    (b) Give a true and fair view of the financial position as at 31 December 2018 and performance for the half year ended on that date.

2. 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.

This declaration is made in accordance with the Board of Directors.

Robin Chamberlain

Director

Nicholas Lakin

Director

Dated this 12th day of March 2019

John L Expert s by your side.
Bush & Campbell
Accountants

Cl PARTNERS
P.J. King CA
A.P Powell CA
D.R Uden CA
R K. NicoH CA
M.A Smith CA

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF:

ANGLESEY SECURED INVESTMENTS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Anglesey Secured Investments Limited which comprises the Statement of Financial Position as at 31 December 2018, and the Statement of Comprehensive Income, condensed statement of changes in equity and Statement of cash flows for the half-year ended on that date, a statement of accounting policies and the directors' declaration.

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 gives a true and fair view and 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 company's financial position as at 31 December 2018 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 Anglesey Secured Investments 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.

Independence

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

CHARTERED ACCOUNTANTS
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Lability limited by a scheme approved under Professional Standards Legislation

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 Anglesey Secured Investments Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

JOHN L BUSH & CAMPBEL
Chartered Accountant

Peter King
Partner

Wagga Wagga

12 March 2019

8.7.

ANGLESEY SECURED INVESTMENTS LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 $	2017 $
Interest revenue	2	440,599	343,112
Interest expense	3	(286,780)	(273,837)
Net interest revenue		153,820	69,275
Non interest revenues	2	17,200	115,668
Impairment expense/(reversal)			
Depreciation expense			(1,290)
Administration costs		(29,765)	(20,090)
Other expenses		(258,067)	(333,873)
Profit/(loss)before Income tax		(116,813)	(170,310)
Income tax expense	4		
Profit/(loss) for the year		(116,813)	(170,310)
Other Comprehensive Income			
Total Comprehensive Income/(loss)		(116,813)	(170,310)
Earnings Per Share (cents)	5	(11.01)	(20.93)

ANGLESEY SECURED INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	NOTE	2018 $	2017 $
ASSETS			
Cash and cash equivalents	6	892,947	1,088,017
Trade and other receivables	7	22,672	9,426
Loans and Advances	8	4,552,992	3,992,435
Property, plant & equipment	9		3,870
Investment property	10	942,359	975,000
TOTAL ASSETS		6,410,970	6,068,748
LIABILITIES			
Trade and other payables	11	36 ,045	9,514
Borrowings	12	5,940,422	5,507,917
TOTAL LIABILITIES		5,976,466	5,517,431
NET ASSETS		434,504	551,317
EQUITY			
Issued capita	13	1,021,000	1,021,000
Retained earnings	14	(586,496)	(469,683)
TOTAL EQUITY		434,504	551,317

ANGLESEY SECURED INVESTMENTS LIMITED

STATEMENT OF CHANGES INEQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital	Issued Preference Shares	Retained Earnings	Total
	$	$	$	$
Balance as at 30 June 2016	**456,000**	**235,000**	**(299,373)**	**391,627**
Profit	0	0	(170,310)	(170,310)
Shares issued	0	330,000	0	330,000
Balance as at 30 June 2017	**456,000**	**565,000**	**(469,683)**	**551,317**
Profit(loss)	0	0	(116,813)	(116,813)
Balance as at 30 June 2018	**456,000**	**565,000**	**(586,496)**	**434,504**

ANGLESEY SECURED INVESTMENTS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 $	2017 $
CASH FLOW FROM OPERATING ACTIVITIES			
Interest received		427,353	337,718
Interest paid		(260,248)	(286,782)
Receipts from customers		49,841	90,668
Payments to suppliers		(283,963)	(353,963)
Net cash provided/(used) by operating activities	15(b)	(67,018)	(212,359)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment Payment for investment property			
Net (increase)/ decrease in loans and advances		(560,557)	(893,228)
Net cash used in investing activities		(560,557)	(893,228)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from shares issued			330,000
Proceeds from/(repayment of) loans		(230,000)	230,000
Proceeds from debenture issued/(repaid)		662,505	435,933
Net cash provided by financing activities		432,505	995,933
Net increase / (decrease) in cash held		(195,071)	(109,654)
Cash at beginning of the year		1,088,018	1,197,672
Cash at end of the year	15(a)	892,947	1,088,018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general-purpose financial report .that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.*

The financial report covers the economic entity of Anglesey Secured Investments Limited. Anglesey Secured Investments Limited is an unlisted Public Company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures the financial statements and notes comply with International Financial Reporting Standards. Material accounting policies adopted in the presentation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

The accounting policies have been applied consistently by the company unless otherwise stated. The financial statements contain comparative amounts which have been reclassified to conform with the current year presentation except where otherwise stated.

(a) Going Concern

The financial report has been prepared on a going concern basis that considers the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

The company's main activities are lo accept deposits of monies via debentures from investors and then on lend the funds invested on the security of registered mortgages over real property in Australia.

At 30 June 2018 the net assets of the company were $434,504. Included in the net assets are liabilities with respect to debentures of $6,410,970. At balance date the company's total assets were $6,068,748. Included in assets are cash and cash equivalents of $822,947.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for the year for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply lo the period when the asset is realised, or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. At 30 June 2017 the carry forward tax losses of Anglesey Secured Investments Limited were $891,518 therefore it is not probable that future benefits will be obtained. Accordingly, no tax entries have been recognised in this report.

(c) Property, Plant and Equipment

Each class of property, plant and equipment Is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their estimated useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired financial period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation Rate
Plant and equipment	20%

(d) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months and net of bank overdrafts.

(e) Trade and Other Payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled in accordance with supplier terms.

(f) Revenue

Interest revenue Is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service Is recognised upon the delivery of the service to the customers.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

As a financial institution Anglesey Secured Investments Ltd is input taxed on all revenue except for revenue from commissions, rents and some fees. An input taxed supply is not subject to GST collection and similarly the GST paid on related or apportioned purchases cannot be recovered.

(h) Loans and Advances

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an effective market and are subsequently measured at amortised cost using the effective interest method.

Loans and advances represent loans to customers. They are carried at recoverable amount represented by the gross value of the outstanding balance less the provision for loan impairment

Provision for Impairment

Impairment of a loan is recognised when there is reasonable doubt that not all of the principal and interest can be collected in accordance with the terms of the loan agreement Impairment is assessed by specific identification in relation to individual loans,

If there is objective evidence that an Impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the value of expected future cash flows,

Bad debts are written off when identified, If a provision for impairment has been recognised in relation to a specific loan, write-offs for bad debts are made against the provision. If no provision for impairment has been recognised, write-offs for bad debts are recognised as expenses in the profit and loss account.

Credit risk exposures

The credit risk on financial assets of the entity that have been recognised in the financial statements is generally the carrying amount less any provisions for Impairment

Interest rate risk exposures

Exposures predominantly arise from assets and liabilities bearing variable interest rates as the entity intends to hold all fixed rate assets and liabilities to maturity.

(i) Investment Properties

Investment properties represent properties held to earn rentals or for capital appreciation or both.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the entity,

Subsequent to initial recognition at cost, investment properties are re-valued to fair value with changes in the fair value recognised as revenue or expenses in the period that they arise, The properties are not depreciated, The fair value of an investment property Is the amount for which the asset could be exchanged between knowledgeable, willing parties In an arm's length transaction. Fair value on an investment property is determined annually based on a valuation by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued, Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

(j) Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the Instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial Instruments are initially measured at fair value plus transaction costs except where the Instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at either of fair value, amortised cost using the effective Interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as;
a. the amount at which the financial asset or financial liability is measured at initial recognition; less principal repayments;
c. plus or minus the cumulative amortisation of the difference, if any between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction in impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payment to receipts (including fees, transactions costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability, Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an Income or expense in profit or loss.

Loans and advances (finance receivables)
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(k) Impairment

The carrying amounts of the entity's assets and deferred tax assets (see accounting policy (b)), are reviewed at each balance dale to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised In respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

When a decline In the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly In equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss Is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised In profit or loss.

(l) Reversals ofImpairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change In the estimate used to determine the recoverable amount.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no Impairment loss had been recognised.

(m) Calculation of Recoverable Amount

The recoverable amount of the entity's investments In receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not .assessed as Impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of Impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value In use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(n) Share Capital

(i) Dividends
Dividends are recognised as a liability in the period in which they are declared.

(ii) Transaction costs
Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(o) Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. The following are the critical judgements management has made:-

Key estimate - loans

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

Residential Land 70%
Industrial Land 70%
Commercial land70%
Rural Land 70%

The outcome of the analysis may determine whether or not the company will make a loan, the amount of any such loan in terms of the maximum LVR and the length of the loan term. In terms of provisioning against loans, the Board meets on a monthly basis and reviews all loans which have indicators of impairment. Where there is objective evidence of impairment, the Board assess the recoverability of a loan by preparing a discounted cash flow. The cash flow requires critical judgements to be made on the timing of the cash inflows and outflows in addition to the actual amounts recovered. The Board uses previous sales evidence obtained from market data to assess the value of the inflows and the outflows and critical judgement on the timing of such inflows and outflows in determining the recoverability of the loan. If the principal and unpaid interest and fees falls short of the discounted cash flow total, then a provision equal to the shortfall is adopted by the Board. Once the recommendation is approved by the Board a provision is madeagainst the loan.
The Board believe that the chosen valuation techniques and assumptions used are appropriate in determining the recoverability of impaired loans.

(o) Critical accounting Judgements and key sources of estimation uncertainty (Continued)

Recoverable amount offinancial and non-financial assets

In terms of provisioning against loans, the Board meets on a monthly basis and reviews all loans which have indicators of impairment. For all mortgage loans, independent valuations are commissioned to assess the value of the underlying real property associated with the registered first mortgage security on an ongoing basis.

Where there is objective evidence of impairment, the Board assess the recoverability of a loan by preparing a discounted cash flow. The cash flow requires critical judgements to be made on the timing of the cash inflows and outflows in determining the recoverability of the loan. If the principal and unpaid interest and fees falls short of the discounted cash flow total, then a provision equal to the shortfall is adopted by the Board. Once the recommendation Is approved by the Board a provision is made against the loan.

Similarly, for non-current assets held for sale, investment and Inventory properties, periodic independent valuations from licensed valuers are commissioned in assessing recoverable amount and net realizable values.

The recoverable amount for loans and investment property are estimates sensitive to several key assumptions in any independent valuation including estimated future sales rates made based on current and future sales in relevant markets and estimated project development potential. Changes In these assumptions could cause the carrying amounts to exceed the recoverable amounts from time to time.

The Board believe that the chosen valuation techniques and assumptions used are appropriate in determining the recoverability of impaired assets.

"Similarly, for non-current assets, land and buildings not held for resale, periodic and independent valuations from licenced valuers are commissioned in assessing recoverable amount and net realisable values"

Impairment

The company assesses Impairment at each reporting date by evaluating conditions specific to the Company 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 which incorporate key estimates, are performed in assessing recoverable amounts.

(p) Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

(q) Amendments to Australian Accounting Standards (Continued)

Standard interpretation	Effective for annual reporting periods beginning on or after	Likely impact on initial application
AASB 9 'Financial Instruments', and the relevant amending standards' (Continued)	1-Jan-18	ECL's are probability-weighted amounts determined by evaluating a range of possible outcomes and taking into account the lime value of money, past events, current conditions and forecasts of future economic conditions. This will involve greater use of judgement than the existing impairment model. The Directors have considered the Impact of this standard in the context of financial assets held by the Company at year end. When considering the nature of repayments of currently held financial assets, level of security held over assets and generally favourable economic conditions within the Company's larger market segments and asset base, there is a low and immaterial risk of Stage 2 or 3 EGL events having an impact on the financial statements at the date of this report. The Directors have considered Stage 1 ECL's and have modelled a conservative scenario of 0.125% of outstanding loans and advances balances. At 30 June 2018 this would equate to an additional impairment provision of $5,691. This will be modelled throughout the 2019 financial year with recognition of ECL's as appropriate in the 2019 financial year.
AASB 15: Revenue from Contracts with Customers	1 January 2018	The new standard will replace AASB 118 which covers contracts for goods and services. The Directors are of the opinion that this standard will not change the reporting of revenue by the Company.
AASB 16: Leases	1 January 2018	AASB 16 requires all leases to be accounted for 'on-balance sheet' by lessees, other than short term and low value asset leases. Management has considered the implication of this standard and does not believe the effect to be material.

	2018 $	2017 $
NOTE 2: REVENUE		
Interest Revenue		
Investment securities, cash and liquid assets	13,062	17,970
Loans and advances	427,538	325,142
Total Interest Revenue	440,599	343,112
Other Income		
Increase in market value of investment property		25,000
Other operating revenue	15,190	20,129
Sundry Income	2,010	70,539
Total other revenue	17,200	115,668
Total Revenue	457,799	458,780

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before Income tax expense has been determined after:

	2018 $	2017 $
Increase/(Decease)in market value of investment property	(32,641)	25,000
Depreciation of non-current assets		
- Plant and equipment		1,290
Total depreciation		1,290
Remuneration of accountants and auditors	19,250	22,776
Interest expense	286,780	273,837

NOTE 4: INCOME TAX EXPENSE

(a) The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2018 $	2017 $
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2017: 30%)	(35,044)	(51,093)
Income tax expense attributable to profit from ordinary activities	(35,044)	(51 ,093)

As detailed in Note 1 (b) the company has substantial carry forward losses. These losses make the payment of income tax by the company highly improbable and as such a tax expense/liability has not been recognised in this financial report.

ANGLESEY SECURED INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018

	2018 $	2017 $
NOTE 5: EARNINGS PER SHARE		
Net Profit used in calculation of EPS	(116,813)	(170,310)
Number of ordinary shares used in calculation of EPS	1,021,000	1,021,000
NOTE 6: CASH AND CASH EQUIVALENTS		
Bank Account ANZ	39,216	19,050
Investments	853,571	504,491
Debenture Bank Account		564,316
Petty Cash	160	160
	892,947	1,088,017
NOTE 7: TRADE AND OTHER RECEIVABLES		
Accrued Income	22,672	9,426
	22,672	**9,426**
NOTE 8: LOANS AND ADVANCES		
Loans (secured by mortgage)	4,552,992	3,992,435
Less: provision for loan impairment		
Net loans and advances	4,552,992	3,992,435

a) Loan Analysis and Impairment

The following table details the companies trade and other receivable with ageing analysis and impairment provided thereon. Amounts are considered past due when the debt has not been settled within the terms and conditions agreed between the company and the counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining the solvency of the counterparty to the transaction and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

	Gross Amount	Past Due and impaired	Past Due but Not Impaired Days Overdue) <30	30 • 60	61 • 90	>90	Within Initial l Terms
2018							
Loans Secured by mortgage	4,552,992	·	2,149,401	426,562	370,354		1,606,675
Provision for Impairment	.	.	.	.	.	-	-
Other receivables	-	.	-	-	-	-	-
Total	4 552 992	.	2 149 401	426,562	370 354	-	1606675

	Gross Amount	Past Due and impaired	Past Due but Not Impaired (Days Overdue) < 30	30-60	61 -90	> 90	Within Initial **Terms**
2017							
Loans Secured by Mortgage	3,992.435		430,823	828,761	489,000		2,243,851
Provision for Impairment	-	-	.	.	.	.	.
Other receivables	-	-	.	-	.	.	.
Total	3 992435	-	430,823	828,761	489,000		2,243,851

Impairment losses

A provision for impairment is recognised when there is objective evidence that an individual loan is impaired. Loans previously assessed as Impaired have now been realised.

The company holds first or second mortgage collateral security over all mortgages and periodically reviews all loans for evidence of Impairment.

	2018	2017
	$	$

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	2018	2017
Plant & Equipment - at cost		6,450
Less: Accumulated Depreciation		(2,580)
		3,870

a) Movements in Carrying Amounts

	Plant & Equipment	Total
Balance at 1 July	3,870	5,160
Additions		
Disposal	(3,870)	
Depreciation		(1,290)
Balance at 30 June		3870

NOTE 10: INVESTMENTPROPERTIES

	2018	2017
Investment Properties - fair value	942,359	975,000
	942,359	975,000

a) Movements in Carrying Amounts

	2018	2017
Balance at 1 July	975,000	950,000
Additions		
Sales		
Revaluation	(32,641)	25,000
Balance at 30 June	942,359	975,000

The valuation of investment properties is based upon independent valuations conducted by Saunders and Staniforth Valuers, 210 Lords Place Orange NSW 2800.
The Directors consider the valuations to be reflective of current market valuations.
Investment Properties comprise:
52 - 70 Church Street Forbes
54 McDonnell Street Forbes

NOTE 11: TRADE AND OTHER PAYABLES

	2018	2017
Trade creditors	27,820	255
Accrued interest	8,225	9,259
	36,045	9,514

NOTE 12: BORROWINGS

	2018	2017
Loan - Related Party (interest free)		230,000
Debenture Clearing Account		564,213
Debentures	5,940,422	4,713,704
	5,940,422	5,507,917

The liquidity of the company is reviewed on a monthly basis via management reporting.
The company does not believe there is any material exposure in respect of the concentration of its deposits and borrowings. All of its deposits and borrowings constitute secured debentures which are lodged for fixed terms. The debenture stock is secured by first ranking floating charge in favour of Melbourne Securities Corporation Limited over the whole of the assets and undertakings of the Company.

Maturity Analysis

	2018	2017
0-3 months	297,400	116,489
3 months - 12 months	1,843,598	2,292,330
Later than 1 year but not later than 5 years	3,799,424	2,304,885

	2018	2017
	$	$

NOTE 13: ISSUED CAPITAL

456,000 fully paid ordinary shares	456,000	456,000
565,000 fully paid preference shares	565,000	565,000
	1,021,000	1,021,000

The company's key objectives in terms of its capital management are as follows;
- to maintain a sufficient level of capital to provide a buffer against losses arising from unanticipated events and to safeguard Its ability to continue as a going concern; and
- to optimise the level and use of its capital resources so that it can provide returns to the company shareholders and benefits for other stakeholders.

In order to maintain or adjust Its capital structure the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, Issue new shares or sell assets to reduce debt.

Under ASIC's Regulatory Guide 69 issuers of unsecured notes should maintain a minimum equity ratio , calculated as equity/(total liabilities + equity) of 8% where only a minor part of the company's activity is property development or lending for property development.

As at 30 June 2018 the company's capital ratio was 6.78% (2017 9.08%)

NOTE 14: RETAINED EARNINGS

Retained earnings at the beginning of the year	(469,683)	(299,373)
Net profit attributable to members of the company	(116,813)	(170,310)
Retained earnings at the end of the year	(586,496)	(469,683)

NOTE 15: NOTES TO THE STATEMEN T OF CASHFLOW

(a) Reconciliation of Cash

Cash at the end of the year as showing the statements of cash flows is reconciled to the related items in the statement of financial position as follows;

Cash on hand	892,947	1,088,017
	892,947	1,088,017

(b)	**Reconciliation of Cash Flow from Operations with Profit**		
	from Ordinary Activities after Income Tax Profit from	(116,813)	(170,310)
	ordinary activities after income tax **Reconciliation of Cash**		
	Flow from Operations with Profit from Ordinary		1,290
	Activities after Income Ta x Profit from ordinary activities	3,869	
	after income tax		
		32,641	(25,000)
	Non-cash flows in profit from ordinary activities: Depreciation		
	Disposal of plant & equipment		
	Impairment expense		
	Decrease/(increase)in Market Value of Investment property		
	Changes in assets and liabilities		
	(increase)/decrease in receivables	(13,246)	(5,394)
	(increase)/decrease in other assets		
	(increase /(decrease)in payables and accruals	26,532	12,945)
	Cash flows from operations	(67 ,018)	(212,359)

Cash inflows and outflows for loans receivable and payable are disclosed on a net basis as per AASB 107. The principal business activity of the entity is a finance company and the volume of transactions would make it impracticable to report on a gross basis.

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

The Key Management Personal of the company during the year are:-

Jeffory Herdegen	Executive Director
Vanessa Crompton	Executive Director
Robin Chamberlain	Executive Director
Oliver Cain	Executive Director
Mr Nicholas Lakin	Executive Director (Appointed 30 January 2018)

NOTE 17: RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms and are no more favourable than those available to any other party.

Related parties include Directors and their related entities.

The following related party transactions occurred during the year:

	2018 $	2017 $
a) Debentures		
Debentures held by related parties at 30 June	5000	
b) Loans (assets)		
The Company does not permit loans to related parties of the company.		
c) Loans (liabilities)		
Loans from related parties		230,000
d) Expenses		
Rent paid to related parties Commissions		12,125
paid to related parties		3,025
Directors fees	64,694	18,109
	64,694	33,259

NOTE 18: FINANCIAL RISKMANAGEMENT

The company's financial Instruments consist mainly of cash and deposits with banks, accounts receivable le and payable, loans and advances, unsecured notes and unlisted shares.

Specific financial risk exposures

The company has exposure to the following risks from its use of financial instruments;

(i) Credit Risk
a. Liquidity Risk
(iii) Interest rate risk

Financial risk management strategy

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are reviewed by the directors on a regular basis. These include credit risk policies and cash flow requirements.

(i) **Credit risk**

Credit risk arises from lending and associated activities. Credit risk is the potential loss that may arise when the counterparty to a financial instrument fails to meet its contractual obligations to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

The maximum exposure at balance date to the Company of credit risk is recognised in the carrying amount of financial assets net of any provisions for impairment of those assets as disclosed in the balance sheet and notes to the financial statements .

An analysis of the company's loan portfolio by security type and geographic location of the borrower is set out below;

	2018	2017
Loan portfolio by security type		
Registered mortgages - non development loans	4,552,992	3,992,435
Registered mortgages - development loans		
	4,552,992	3,992,435

The Directors of the company have implemented a structured framework of systems and controls to monitor and manage the credit risk of the company. These systems and controls include the following;

(i) Documented credit risk management policies that are adhered to by all staff Involved in the lending process.

(ii) A systematic process for loan approvals including approval of loans by the board of the company.
(iii) An assessment of the financial capacity of the borrower for all loan applications.

NOTE 18: FINANCIAL RISK MANAGEMENT (Continued)

(II) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due as the result of a maturity mismatch in its cash flows. Principally this reflects the need for the company to meet the rights of note holders to be able to redeem their funds as required.

The company maintains a liquidity risk management policy that establishes practices in order to meet this mismatch under a range of market conditions. The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid Investments are held at all times. Liquidity management is ultimately the responsibility of the board of directors of the company.

The Company prepares quarterly and annual cash flow budgets as part of Its over liquidity management strategy. The Company at all times maintains cash or cash equivalents on hand sufficient to meet its projected needs for the next quarter.

The Company estimates incoming cash flows from the maturity profile of its loan portfolio. Outgoing cash flows with respect to maturing Notes are determined by the terms of the Notes and take into account available historical experience of the redemption of Notes.

Liquidity scenarios are modelled by the company over a 12-month rolling lime frame and take into account the expected rollover rates of Note holders. The objective of the modelling is to ensure that the Company will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions and without incurring unacceptable losses or risking damage to the company's reputation.

The Company is exposed to the liquidity risk of meeting at call note holder withdrawals at any time.

(iii) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities due to the risk of any mismatch between the Interest rate on borrowings and to that of lending.

Interest rate risk is managed using a mix of fixed rate and floating rate lending together with unsecured notes issued at call and on a fixed term basis.

The company's exposure to interest rate risk showing the contractual dates for classes of assets and liabilities are disclosed on the following page.

NOTE 18: FINANCIAL RISK MANAGEMENT (Continued)

The company's exposure to interest rate risk showing the contractual dates for classes of assets and liabilities for 2018 is shown below;

2018	Weighted average rate	Floating interest rate	Fixed Interest Rate 0 -12 months	Fixed Interest Rate 1 - 5 years	Over 5 years	No maturity specified	Non-interest bearing	Total
	%	$	$	$	$	$	$	$
Assets								
Cash & cash equivalents	1.319%	892,947	-	-				892,947
Trade & other receivables							22,672	22,672
Loans & advances	10.006%	-	3,729,629	823,363				4,552,992
Investment							942,359	942,359
Total Assets		**892,947**	**3,729,629**	**823,363**			**965,031**	**6,410,970**
Liabilities								
Trade & other payables							36,045	36,045
Loans							-	-
Debentures	5.010%	-	2,140,998	3,799,424				5,940,422
Total Liabilities			**2,140,998**	**3,799,424**			**36,045**	**5,976,466**
Total Equity								**434,504**

NOTE 18: FINANCIAL RISK MANAGEMENT (Continued)

The company's exposure to interest rate risk showing the contractual dates for classes of assets and liabilities for 2017 is shown below;

2017

	Weighted average rate	Floating interest rate	Fixed 0-12 months	1 - 5 years	Over 5 years	No maturity specified	Non-interest bearing	Total
	%	$	$	$	$	$	$	$
Assets								
Cash & cash equivalents	1.572%	1,088,017						1,088,017
Trade & other receivables			-				9,426	9,426
Loans & advances	9.170%	-	3,169,072	823,363				3,992,435
Investment			-				975,000	975,000
Total Assets		**1,088,017**	**3,169,072**	823,363			**984,426**	**6,064,878**
Liabilities								
Trade & other payables							9,514	9,514
Loans							230,000	230,000
Debentures	5.292%	-	2,973,032	2,304,885				5,277,917
Total Liabilities			2,973,032	2,304,885			**239,541**	**5,517,431**
Total Equity								**547,447**

NOTE 18: FINANCIAL RISK MANAGEMENT (Continued)

Sensitivity analysis

The following table Illustrates the sensitivities to the company's exposure to changes in interest rates. The company does not account for any fixed rate financial assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis

A change of +/ 1% in Interest rates at the reporting date would have increased {decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2017.

	Profit or loss		Equity	
	1% p.a. Increase	1% p.a. Decrease	1% p.a. Increase	1% p.a. Decrease
2018	$	$	$	$
Interest bearing financial assets	54,459	(54,459)	54,459	(54,459)
Interest bearing financial liabilities	**(59,404)**	59,404	(59,404)	59,404
Cash flow sensitivity(net)	**(4,945)**	4,945	(4,945)	**4,945**

	Profit or loss		Equity	
	1% p.a. Increase	1% p.a. Decrease	1% p.a. Increase	1% p.a. Decrease
2017	$	$	$	$
Interest bearing financial assets	50,805	(50,805)	50,805	(50,805)
Interest bearing financial liabilities	(52,779)	52,779	(52,779)	52,779
Cash flow sensitivity (net)	(1,974)	1,974	(1,974)	1,974

Foreign exchange risk

There is no significant direct foreign exchange risk to the company.

NOTE 19: SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent periods.

NOTE 20: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There are no contingent liabilities at balance date.

NOTE 21: SEGMENT REPORTING

Anglesey Secured Investments Limited operates predominantly in the debenture issuing (unlisted, unrated mortgage financing) finance industry within Australia. Customers and clients are predominantly based in regional areas of New South Wales and Victoria.

NOTE 22: COMPANY DETAILS

The registered office of the company is:
Anglesey Secured Investments Limited Suite 103, Level 1 274-290 Victoria Street Darlinghurst NSW 2010

NOTE 23 - FAIR VALUE MEASUREMENTS

AASB13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant Inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient date is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach : valuation techniques that reflect the current replacement cost of an asset at its current service capacity

Fair Value Measurement

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data fs not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the company investment properties measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

The Company's investment properties have all been valued at fair value under Level 3 measurements.

Fair value hierarchy

The table b low shows the assigned level for investment properties held at fair value by the Company:

		Level1	Level 2	Level 3	Total
30-Jun-18		$	$	$	$
Recurring fair value measurements	**Note**				
Investment property	10			942 359	942,359

NOTE 23- FAIR VALUE MEASUREMENTS (Continued)

Valuation Techniques and inputs used to measure Level 3 Fair Values

Description	Fair value as at 30 June 2018	Valuation Techniques	Inputs Used
Investment Property	942,359	Direct comparison and summation approach using market data for similar properties	Nil

The fair value of investment properties is determined by independent. qualified valuers who have experience in the location of the property. The Directors review the valuation reports and discuss significant movements with the valuers.

The values of the investment property portfolio is based on the following:
- McDonnell St $282,359 - net sale proceeds - sold post year end
- Church St $660,000 - market valuation performed by Saunders & Staniforth Valuers 23 November 2015

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

DIRECTORS' DECLARATION

The directors of the company declare that:

The financial statements and notes, as set out on pages 1 to 29 are in accordance with the Corporations Act 2001; and

(a) comply with the Accounting Standards which as stated in accounting policy note 1 to the financial statements constitutes compliance with International Financial Reporting Standards; and

(b) give a true and fair view of the financial position as at 30 June 2018 of the company and of its performance for the period ended on that date

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.

This declaration is made in accordance with a resolution of the Board of Directors.

Nick Lakin

Director.... ....
M Robin Chamberlain

Dated 19th November 2018

☐ PARTNERS.
P.J King CA
AP. Pow ell C,;
D.R. Uclen CA
R.K N:col! c,;
M A. Smith C/\

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:
ANGLESEY SECURED INVESTMENTS LIMITED**

Opinion

We have audited the accompanying financial report of Anglesey Secured Investments Limited, which comprises the Statement of Financial Position as at 30 June 2018, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, notes comprising a summary significant accounting policies and other explanatory notes and the Directors' Declaration.

In our opinion, the financial report of Anglesey Secured Investments Limited is in accordance with the *Corporations Act 2001* , including:

(i) giving a true and fair view of the Company's financial position as al 30 June 2018 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Directors' Responsibility for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

BUSH & CAMPBELL
Accountants

Peter King

Partner
ASIC Registration No: 210345
Wagga Wagga
19 November 2018

9. General Information

9.1 Secured Note Trust Deed

By a Trust Deed dated 12 December 2006, as amended from time to time, the Company created a charge in favour of the Trustee for Secured Noteholders. Investors may inspect a copy of the Trust Deed at the registered office of the Company at Level 24 Tower 2 101 Grafton Street BONDI JUNCTION NSW 2022 or Level 1, 274-290 Victoria Street DARLINGHURST NSW 2010 during normal business hours. A copy of the Trust Deed may also be obtained free of charge by telephoning (02) 9167-0909 or writing to the Company's registered office.

The parties to the Trust Deed are the Company and as from 14 February 2017 Melbourne Securities Corporation Ltd ("Trustee"), Sandhurst Trustees retired from this role on the same date.

The principal place of business of the Trustee is:

Level 2, Professional Chambers
120 Collins Street,
Melbourne, Victoria 3000.

The Company is not permitted under the Trust Deed to allow any secured borrowings of the Company and any subsidiaries to rank for repayment ahead of Secured Notes secured under the Trust Deed, except in the case where the Company acquires a subsidiary which has a pre-existing liability and in that case the aggregate of the subsidiary's prior liabilities must be less than 10% of the Company's assets and the subsidiary must not incur any further prior liabilities and the prior liability must be discharged no later than the date or dates fixed for such a discharge.

The Trust Deed provides that, for the benefit of Secured Noteholders, the following is held in trust:

(a) the right to enforce the Company's duty to repay;

(b) any charges or security for repayment; and

(c) the right to enforce any other duties that the Company (and any guarantor) has under the terms of the Secured Notes or the provisions of the Trust Deed or the Corporations Act

Security

The Company has granted a General Security Agreement to the Trustee on behalf of investors which is registered on the Personal Property Security Register. The security has been granted over all the assets of the Company.

The Company covenants that it will cause any wholly owned subsidiary (subject to exceptions) to become a guarantor under the Deed. At the date of this Prospectus the Company has no subsidiaries.

Borrowing Limitations

The Company's power to borrow is limited under Clause 8 of the Trust Deed. The Company covenants with the Trustee that it will not (except as permitted by the Trust Deed), at any time, issue any stock and the Company and its subsidiaries will not give or suffer to exist any encumbrance over their property or assets:

(a) unless the Company has total tangible assets, which exceed total external liabilities by at least $500,000.00; or

(b) if (a) does not apply, unless the Company has total tangible assets which exceed total external liabilities:

    (i) by at least $50,000.00 up to $250,000.00 and the total external liabilities do not exceed 97% of total tangible assets; or

    (ii) by at least $250,000.00 up to $500,000.00 and the total external liabilities do not exceed 98% of total tangible assets.

The amount sought through this issue of Secured Notes will be in compliance with the limitations contained in the Trust Deed.

Interest

Interest will continue to accrue to the date of redemption of Secured Notes. Where the Company fails to redeem Secured Notes on the due date and a demand is made by the Trustee or a representative of the Noteholders who provide the required evidence of their ownership, interest will accrue daily until actual repayment of the Secured Notes. All interest so accrued is secured under the terms of the Trust Deed.

Security Notes

Security Notes may be issued by the Company to any bank or other person (or to an agent of such Bank or person) by way of security for any present or future, fixed or contingent liability ("Security Notes").

Security Notes shall be deemed to be issued fully paid unless otherwise specified on the certificate and shall rank equally in all respects with all other Secured Notes. Security Notes may be issued on terms that they are payable on demand. They shall not be transferred without the consent of the Trustee and shall only carry interest on such terms and conditions determined by the Trustee. Where the Trustee serves on the Company a notice that an event of default specified under the Trust Deed has occurred, the holders of Security Notes shall be entitled to payment equally with other Secured Noteholders of:

(a) the lesser of:

(i) the nominal value of the Security Notes; and

(ii) the aggregate of Actual Security Moneys and any Contingent Security Moneys which have become owing; and

(b) interest payable on the Security Notes calculated on the date of redemption on the lesser of:

(i) the nominal value of the Security Notes; and

(ii) the Actual Security Moneys.

In this Section:

” Actual Security Moneys” means in relation to any Security Notes at any date all sums of money owing at that date (whether then due and payable or not) by the Company in respect of that Security Notes including any premium payable and all interest accrued on such moneys to that date.

” Contingent Security Moneys” means on any date all contingent liabilities and all moneys which are not owing at that date but which may thereafter become owing by the Company in relation to Security Notes, excluding any interest which accrues after that date on any Actual Security Moneys as at that date in relation to the Security Notes.

Amendment of the Trust Deed

The Trustee may concur with the Company in making any alteration, modification or addition to the Trust Deed if:

(a) in the opinion of the Trustee: it is made to correct a manifest error or is of a formal, technical or administrative nature only; it is necessary, expedient or required to enable any Secured Notes to be listed for quotation on any stock exchange or to enable the issue of Secured Notes expressed to be instruments payable to bearer; it is necessary, expedient or required to comply with any law or amendment to the Corporations Act 2001 (Cth); or it is not prejudicial to the interests of the Secured Noteholders;

(b) the alteration, modification or addition is approved or sanctioned by extraordinary resolution of the Secured Noteholders in accordance with the Trust Deed;

(c) the Company serves on all Secured Noteholders prior to any amendment a copy of the amending deed, together with a circular which explains the terms and effects of the proposed amendment and an offer to Secured Noteholders to redeem their Secured Notes by payment by cheque in accordance with the Trust Deed;

(d) the proposed amendment takes effect prior to redemption of any Secured Notes issued on the terms and conditions of the Trust Deed and the Noteholders have been offered additional security which, in the bona fide opinion of the Directors properly compensates such Noteholders for any derogation of their rights consequent upon making such an amendment to the Trust Deed, a Directors’ certificate is provided to that effect to the Trustee and the amendment is approved by extraordinary resolution of ASI Noteholders; or

(e) the proposed amendment takes effect only after the redemption of all Secured Notes issued on the terms and conditions of the Trust Deed prior to the date of operation of such amendment and all Secured Notes outstanding as at the date of the proposed amendment comes into force were issued subject to the terms and conditions of the Trust Deed as amended.

9.2 Directors’ Interests

No Director of the Company, or a firm of which the Director is a partner, has an interest in the promotion of the Company or any property proposed to be acquired by the Company in connection with its formation or promotion that existed when the Prospectus was lodged or existed within two years before the lodgement of the Prospectus, except the interests held directly or indirectly as set out below:

Directors’ Shareholdings

The Company is wholly owned by NBFI Holdings Pty Ltd

NBFI HOLDINGS PTY LTD	Ordinary Shares	456,000
NBFI HOLDINGS PTY LTD	Cumulative Preference Shares	140,000
NBFI HOLDINGS PTY LTD	Redeemable Preference Shares	425,000

The table below sets out information about shareholders in NBFI Holdings Pty Ltd and each Director's interest in NBFI Holdings Pty Ltd;

Meadsview Pty Ltd (in which Director Dr Henry Pinskier has a relevant interest)	Ordinary Shares	100
Geoffsue Investments Pty Ltd (in which Director Geoffrey John Wensley has a relevant interest)	Ordinary Shares	100
WTF Advisory Pty Ltd (in which Director Peter David Wright has a relevant interest)	Ordinary Shares	600
Craig Stephen Hitchings	Ordinary Shares	200

Where a Director has a beneficial interest in an Adviser, the Adviser will remain eligible to receive brokerage which the Company may pay calculated on the amount subscribed at the rates disclosed in Section 7.9 of this Prospectus. No Director had such an interest when the Prospectus was lodged.

No amounts have been paid or agreed to be paid in cash or shares or otherwise:

(a) To any Director or firm of which the Director is involved to induce the Director to become or qualify as a Director or otherwise for services rendered by the Director or the firm in connection with the promotion of the Company or for Directors' fees; except that Directors have been and continue to be entitled to receive Directors' fees (currently not exceeding $30,000.00 per annum each) and all Directors continue to be entitled to receive salaries and other entitlements as employees of the Company without specific provision being made for services rendered in connection with the promotion of the Company.

9.3 Consents and Responsibility Statements

The Trustee has given and not withdrawn its consent to be named as the Trustee in this Prospectus. Neither the Trustee nor any of its related parties have authorised or caused the issue of this Prospectus. Neither the Trustee nor any member of the Trustee or their related parties make any representations as to the truth or accuracy of the contents of this Prospectus other than the parts which refer directly to the Trustee or which refer to the provisions of the Trust Deed. Moreover, they do not make any representations regarding or accept any responsibility for any statements or omissions in or from any other parts of this Prospectus.

Peter King of John L Bush & Campbell Accountants & Auditors has given and not withdrawn his written consent to the inclusion of his Auditor's Reports in the form and context in which they are included. Peter King has not been involved in the preparation of any other part of this Prospectus and has not authorised or caused the issue of any other part of this Prospectus and specifically disclaims liability to any person in respect of statements included elsewhere in this Prospectus.

Register of ASI Noteholders

The Company maintains a register of ASI Noteholders at its registered office. During normal business hours of the Company, ASI Noteholders have a right and other person have a limited right, to inspect the register or request the Company to provide a copy of the register or part of the register. Information in relation to an ASI Noteholder will continue to be included in the register, even if that ASI Noteholder ceases to hold ASI Notes.

10. Complaints Resolution

The Company's policy is to handle complaints by holders of ASI Notes ("ASI Noteholders") promptly and fairly. ASI Noteholders who have a complaint concerning a decision by the Company in relation to their ASI Notes, may lodge a complaint with the Company in person, by telephone or in writing to the Company's registered office at: Suite 103, Level 1 274-290 Victoria Street DARLINGHURST NSW 2010

We will acknowledge receipt of your complaint within 7 business days and advise you of our decision on your complaint within 45 business days. If you feel we have not satisfactorily resolved your complaint, you may refer your complaint to an independent and external complaints handling body called Australian Financial Complaints Authority ("AFCA"). Details of how to access this service are available at the Company's registered office or contact AFCA direct at:

G.P.O. Box 3, Melbourne 3001, or phone 1800 931 678
(9am - 5pm AEST).

11. Privacy Policy

Protecting your privacy is important to us. We take reasonable care to ensure that our record of your personal information is accurate, protected from misuse and treated confidentiality in accordance with the Privacy Act 1988 (Cth) and the Australian Privacy Principles contained in the Privacy Act.

The Company will collect, hold and use your personal information to facilitate the issue of ASI Notes to you, service your needs as a Note holder, facilitate distribution payments, communicate with you, provide facilities requested and carry out appropriate administration. The Company may also use your personal information to market to your other financial products and services offered by it.

Your personal information may also be used from time to time and disclosed for purposes relating to your investment to the

Company’s agents and service providers it may engage in connection with the ordinary conduct of its operations, persons inspecting the Note register, print service providers, mail houses, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, legal and accounting firms, auditors, other advisers for the purpose of advising on the Notes or as otherwise required under the Privacy Act.

The Australian taxation legislation and the Corporations Act require personal information about Applicants, including name, address and details about Secured Notes, to be included on the Note register. Personal information held on the Note register must be accessible to the public under the Corporations Act and will continue to be included on the Note register where you cease to be a Note holder.

If you do not consent to these uses or disclosures, you should not complete the Application Form, which accompanies this Prospectus. Without your personal information the Company may be unable to process of accept your application for ASI Notes or to operate or administer your investment.

You may request access to, correction of and an update to the personal information that the Company holds about you by contacting the Company by writing to the Privacy Officer at the Company's principal business office at:

Suite 103, Level 1 274-290 Victoria Street
DARLINGHURST NSW 2010

You will generally be provided access to your personal information, subject to some exceptions permitted by law. You may be required to pay a reasonable fee to the Company to gain access to your personal information. Please contact the Company if you wish to lodge a complaint about the management of your personal information or obtain further information about the Company’s privacy practices. You should notify the Company of any changes to your personal information that we hold about you including your name, address and other contact details.

12. Anti-Money Laundering and Counter-Terrorism Financing

You must not knowingly do anything to put the Company in breach of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, rules and other subordinate instruments (AML/CTF Laws). You undertake to notify the Company if you are aware of anything that would put the Company in breach of AML/CTF Laws.

If requested, you must provide additional information and assistance and comply with all reasonable requests to facilitate the Company’s compliance with AML/CTF Laws in Australia or an equivalent law in an overseas jurisdiction.

You undertake that you are not aware and have no reason to suspect that:

1. the money used to fund the investment is derived from or related to money laundering, terrorism financing or similar activities (Illegal Activities); and
2. proceeds of investment made in connection with this product will fund Illegal Activities.

The Company is subject to AML/CTF Laws. In making an application pursuant to this Prospectus you consent to the Company disclosing in connection with AML/CTF Laws any of your Personal Information as defined in the Privacy Act 1988 (Cth) the Company has.

In certain circumstances the Company may be obliged to freeze or block an account where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws. If this occurs, the Company is not liable to you for any consequences or losses whatsoever and you agree to indemnify the Company if the Company is found liable to a third party in connection with the freezing or blocking of your account.

The Company retains the right not to provide services to any applicant that the Company decides, in its sole discretion, that it does not wish to supply.

13. Director's Statement & Consent

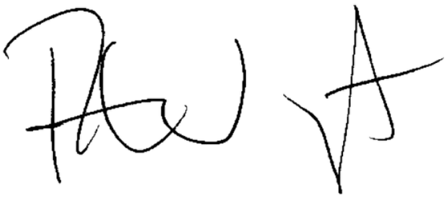
The Directors report that for the period ended 30 June 2018, to the date of this Prospectus they have not become aware of any circumstances which have or will materially affect the trading and profitability of the Company or the value of its assets and liabilities, otherwise than as disclosed in this Prospectus.

The Directors reasonably believe and are of the view that having regard to the Company's past performance and current market activities, the Company will continue to trade successfully in the coming year.

The Directors of the Company are of the opinion that the Company will be in a position to meet, as they fall due, interest and principal repayments on Secured Notes issued under this Prospectus.

If you do not understand any of the material in this Prospectus, the Directors urge you to consult your financial or other professional adviser.

Each Director of the Company has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.



Peter D Wright
Chairman

14. Completing Your Investment Form

To complete the Application Form that is attached to this Prospectus please:

- use Black or Blue pen
- use CAPITAL LETTERS and mark your options with an X
- list your full name, address and other contact details
- in the case of a Company, list the full Company name including its ACN/ABN
- if you are investing in the name of a trust, ensure that the investment is in the name of the trustee

TAX FILE NUMBER

- you are not required to provide your tax file number ('TFN'), but if you choose not to or provide a valid exemption, the Company is required to withhold tax from income distributions at the highest marginal tax rate plus Medicare Levy. For more information about TFNs please contact your nearest tax office.

INTEREST RATES

- interest rates are set out in the interest rate card provided with this Prospectus
- please phone the Company on 02 9167 0909 or go to www.angleseyinvest.com to confirm the interest rate applicable for the term you wish to invest for

TERM

- 12 months, 24 months or 36 months.

INTEREST PAYMENTS

Please complete one of the payment options:

- provide your banking details for payment of interest into your nominated account; or select the

  compound interest option to have interest added to your investment

TRANSFER OF FUNDS

- contact the Company on 02 9167 0909 for Direct Credit transfer details: or
- make your cheque payable to ASI , crossed "Not Negotiable", and attach it to your application

COMPLETED APPLICATION FORM

Please post your completed application form, supporting documentation and your cheque (if applicable) to: ASI
Suite 103, Level 1 274-290 Victoria Street
DARLINGHURST NSW 2010

Or, you may deliver it to the Company's office at;

Suite 103, Level 1 274-290 Victoria Street
DARLINGHURST NSW 2010

NEED ASSISTANCE?

If you have any questions concerning completion of the application, please do not hesitate to phone ASI on 02 9167 0909 between 9.00am and 5.00pm, Monday to Friday.