ASIC registered agent number		
lodging party or agent name		
office, level, building name or PO Box no.		
street number and name		
suburb / city	state/territory	postcode
telephone	( )	
facsimile	( )	
DX number	suburb / city	

FS70 1/4 24 September 2015

ASS. ☐ CASH. ☐ PROC. ☐ REQ-A ☐ REQ-P ☐

Australian Securities & Investments Commission

Australian financial services licensee

profit and loss statement and balance sheet

form FS70

Corporations Act 2001
912AA, 912AB, 912AC, 989A, 989B(2), 989C, 989CA, 989D
Corporations Regulations
7.8.12A, 7.8.13, 7.8.13A, 7.8.14, 7.8.14A, 7.8.14B

AFS licensee details

Provide the following details
AFS licensee name: ANGLESEY SECURED INVESTMENTS LTD
AFS licence number: 292 528
Auditor name (if applicable):
ASIC registered auditor number (if applicable):

1. Which financial year are the accounts for (dd/mm/yyyy) 1 / 7 / 15 to 30 / 6 / 16

2. If the licensee is a company, are you lodging this form as a disclosing entity? ☒ Yes ☐ No

3. All financial services licensees are required to lodge annual accounts and an auditor's statement and / or an annual compliance certificate. Limited licensees that only provided one or more limited financial services (as defined in Corporations Regulation 7.8.14B), and did not deal with client money (to which Division 2 of Part 7.8 of the Corporations Act applies) for the entire year to which these annual accounts relate, are required to lodge annual accounts and an annual compliance certificate. Check which of the following describes you during the year that these accounts are for and the documents you are required to attach to this form.

I am a...	I must attach...
☒ financial services licensee that is not a limited licensee	accounts (FS70) an auditor's statement (FS71)
☐ limited licensee that dealt with client money to which Division 2 of Part 7.8 of the Corporations Act applies for all or part of the year that these accounts are for (including if you were also a licensee that was not a limited licensee for part of that same year).	accounts (FS70) an auditor's statement (FS71)
☐ limited licensee that did not deal with client money to which Division 2 of Part 7.8 of the Corporations Act applies	accounts (FS70) an annual compliance certificate (FS76)
☐ financial services licensee that is not a limited licensee for part of the year that these accounts are for; and a limited licensee that did not deal with client money to which Division 2 of Part 7.8 of the Corporations Act applies for part of the year that these accounts are for	accounts (FS70) an auditor's statement (FS71) an annual compliance certificate (FS76)

PART 1

Summary results of the AFS licensee

4. Financial year (dd/mm/yyyy) 1 / 7 / 15 to 30 / 6 / 16

	for financial year
5. (a) Total Revenue including tax benefit	480 159
(b) Total Expenses including tax expense	473641
(c) Net Profit After Tax (a)-(b)	6518

	as at end of the financial year
6. (a) Total Equity	391 627
(b) Total Liabilities	4864444

Responsible entities / IDPS operators

If the AFS licensee is the Responsible Entity of a Managed Investment Scheme or an IDPS operator to whom section 912AA of the Act as applying under ASIC Class Order [CO 13/760] *Financial requirements for responsible entities and operators of investor directed portfolio services* applied at the end of the financial year, please complete the following four items:

7. (a) Net tangible assets as at the end of the financial year

   (b) Cash and/or cash equivalents as at the end of the financial year

   (c) Average value of scheme property and IDPS property

   (d) Average responsibility entity and IDPS revenue

All the items in this paragraph have the meaning under section 912AA of the Act as applying under ASIC Class Order [CO 13/760] *Financial requirements for responsible entities and operators of investor directed portfolio services.*

Custodial and depository service providers

If the AFS licensee is authorised to provide a custodial or depository service and section 912AC of the Act as applying under ASIC Class Order [CO13/761] *Financial requirements for custodial or depository service providers* applies to the licensee, please complete the following three items:

8. (a) Net tangible assets as at the end of the financial year

   (b) Cash and/or cash equivalents as at the end of the financial year

   (c) Average revenue

In addition, if the AFS licensee is relying on being an incidental provider to meet the requirements of section 912AC, please complete the following two items:

9. (a) Custodial or depository service revenue

   (b) Financial services business revenue

All the items in the above two paragraphs have the meaning under section 912AC applying under ASIC Class Order [CO 13/761] *Financial requirements for custodial or depository service providers.*

Retail OTC derivative issuers

If the AFS licensee issues derivatives to retail clients and section 912AB of the Act, as applying under ASIC Class Order [CO 12/752] *Financial requirements for retail OTC derivative issuers*, applies to the licensee, please complete the following five items:

10. (a) The amount of actual or contingent liabilities owed by the licensee in connection with issuing derivatives to persons as a retail client at the end of the financial year

    (b) Net tangible assets (NTA) as at the end of the financial year

    (c) The NTA the licensee was required to hold under subsection 912AB(4) applying under ASIC Class Order [CO 12/752] as at the end of the financial year

    (d) Cash and/or cash equivalents as at the end of the financial year

    (e) The amount of average revenue on which the licensee has based its calculation of required NTA at 10(c) above

All the items in this paragraph have the meaning under section 912AB applying under ASIC Class Order [CO 12/752] *Financial requirements for retail OTC derivative issuers.*

Certification

11. Except as stated in paragraph 11A the licensee certifies that the profit and loss statement (Statement of Financial Performance) and balance sheet (Statement of Financial Position) and notes to the Statement of Financial Performance and Statement of Financial Position of the licensee ("financial statements") set out at paragraph 13 and summarised above:

    (a) give a true and fair view of the matters stated in the financial statements;

    (b) if the licensee is a reporting entity, the financial statements are included in a general purpose financial report that complies with all Australian Accounting Standards and Urgent Issues Group abstracts ("the Accounting Pronouncements") and if the licensee is not a reporting entity, the financial statements are prepared in accordance with all of the recognition and measurement requirements of the Accounting Pronouncements, and in accordance with the disclosure requirements of those of the Accounting Pronouncements that apply to non-reporting entities subject to any treatment in the financial statements required in order to give a true and fair view that is not in compliance with Australian Accounting Standards or Urgent Issues Group abstracts, the effect of which is quantified in notes to the financial statements;

    (c) if the licensee is a body corporate, the board or other governing body of the licensee has resolved to the effect of (a) and (b).

11A. Where the licensee is a natural person, if noted in the financial statements, the licensee may exclude from the financial statements and notes thereto the revenue and expenses that do not relate to any business of the licensee or all the revenue and expenses that do not relate to a financial services business of the licensee.

12. The licensee certifies that during the financial year it has complied with all the financial requirements of the Corporations Act 2001 and the conditions on the licence, as modified, and the requirements relating to trigger points, except as has been disclosed in writing to ASIC.

Financial Statements

13. {Attach the financial statements which, if the licensee prepares consolidated financial statements for the licensee and its controlled entities, can be presented as separate items in the same document as the consolidated financial statements.}

Signature

This form must be signed (please refer to Guide for details on eligible signatories)

print name JEFFORY HERDEGEN capacity DIRECTOR

print entity name ANGLESEY SEWARD INVESTMENTS LTD

sign here [signature] date 26 / 9 / 16

PART 2: To be completed by licensees that must comply with the audit requirement.

Refer Regulatory Guide 166: Licensing: Financial Requirements

Certification

The audit report in the form of Form FS 71 lodged with this form is a true copy of the auditor's report on the financial statements under sub section 989B(3).

Qualification

Is there an audit qualification of financial statements?	☐ Yes	☒ No
Is there an emphasis of matter on financial statements?	☐ Yes	☒ No
Are there any exceptions in FS71?	☐ Yes	☒ No
If yes, identify the Part or Parts of FS71 to which the exceptions relate		
Part 2	☐ Yes	☐ No
Part 5	☐ Yes	☐ No
Part 6	☐ Yes	☐ No
Part 7	☐ Yes	☐ No
Part 8	☐ Yes	☐ No

Signature

This form must be signed (please refer to Guide for details on eligible signatories)

print name JEFFORY HERDEGEN capacity DIRECTOR

print entity name ANNUKSET SECURED INVESTMENTS LTD

sign here [signature] date 26 / 9 / 16

ANGLESEY SECURED INVESTMENTS LIMITED
ACN 111 067 606

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT

The directors present their report together with the financial statements of the Company, being Anglesey Secured Investments Limited ("the Company") for the year ended 30 June 2016 and the auditor's report thereon.

Directors
The names of the directors in office at any time during or since the end of the year are;

Mr Jeffory Herdegen
Ms Vanessa Crompton
Ms Brooke Johnson (Appointed 8/4/16)

Secretary
Vanessa Crompton also acted as company secretary during the year and maintains this position as at the date of this report.

Operating results
The profit of the company for the year after providing for income tax amounted to $6,518

Significant changes in state of affairs
No significant changes in the company's state of affairs occurred during the year outside of the Company investing in an investment property.

Principal activities

The principal activities of the company during the year were mortgage lending, property and general investment.

No significant change in the nature of this activity occurred during the year.

Matters or circumstances arising after the end of the year
No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future years.

Future developments and results
Likely developments in the operations of the company and the expected results of those operations in future years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Dividends paid or declared
Dividends paid or declared since the start of the year are as follows;
(a) There were no dividends paid during the year.
(b) There were no dividends declared on 30 June 2016 for payment for the year then ended.

Share options
No options over issued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the date of this report.

Directors and officers insurance
During the year, the company paid a premium in respect of a contract insuring the directors of the company, the company secretary, and all executive officers of the company against a liability incurred as a director, secretary or executive officer to the extent deemed appropriate by the directors.

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

REMUNERATION REPORT

This report details the nature and amount of remuneration for each key management person of Anglesey Secured Investments Limited

The Board has determined that due to the tight margins of the business and the small size of the current loan book that there will be no remuneration paid to key management personnel.

DIRECTORS INTERESTS AND BENEFITS

Since the end of the previous financial year no director of the company has received or become entitled to receive any benefit (other than that included in the aggregate amount of remuneration received or due and receivable by the directors shown in the accounts) because of a contract made by the company with the director or with a firm of which the director is a member, or with an entity in which the director has a substantial interest.

PROCEEDING ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on following page of the directors' report.

Signed in accordance with a resolution of the Board of Directors:

Director
Jeffory Herdegen

Dated 26th September 2016

PARTNERS:
P.J. King CA
A.P. Powell CA
J.K. Maxwell CPA
Affiliate CAANZ
D.R. Uden CA
R.K. Nicoll CA

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ANGLESEY SECURED INVESTMENTS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

John L Bush & Campbell

JOHN L BUSH & CAMPBELL
Chartered Accountants

P J King
Partner

Wagga Wagga
26th September 2016

WAGGA WAGGA
P. 02 6938 4600 F. 02 6921 7539
30 Blake Street, PO Box 98
Wagga Wagga NSW 2650
ABN: 33 225 395 249

ANGLESEY SECURED INVESTMENTS LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 $	2015 $
Interest revenue	2	262,751	306,693
Interest expense	3	(249,715)	(251,598)
Net interest revenue		13,036	55,095
Non interest revenues	2	177,408	309,580
Impairment expense/(reversal)		40,000	(30,000)
Depreciation expense		(1,290)	-
Administration costs		(10,326)	(14,800)
Other expenses		(212,310)	(204,222)
Profit before income tax		6,518	115,653
Income tax expense	4	-	-
Profit for the year		6,518	115,653
Other Comprehensive Income		-	-
Total Comprehensive Income		6,518	115,653
Earnings Per Share (cents)	5	0.94	16.75

ANGLESEY SECURED INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	NOTE	2016 $	2015 $
ASSETS			
Cash and cash equivalents	6	1,197,672	1,611,064
Trade and other receivables	7	4,032	33,940
Loans and Advances	8	3,099,207	2,046,351
Property, plant & equipment	9	5,160	6,050
Investment property	10	950,000	600,000
Other current assets	11	-	5,827
TOTAL ASSETS		5,256,071	4,303,232
LIABILITIES			
Trade and other payables	12	22,460	21,041
Debentures	13	4,841,984	3,897,082
TOTAL LIABILITIES		4,864,444	3,918,123
NET ASSETS		391,627	385,109
EQUITY			
Issued capital	14	691,000	691,000
Retained earnings	15	(299,373)	(305,891)
TOTAL EQUITY		391,627	385,109

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Issued Capital	Issued Preference Shares	Retained Earnings	Total
	$	$	$	$
Balance as at 30 June 2014	**456,000**	235,000	**(421,544)**	**269,456**
Profit			115,653	115,653
Balance as at 30 June 2015	**456,000**	**235,000**	**(305,891)**	**385,109**
Profit			6,518	6,518
Balance as at 30 June 2016	**456,000**	**235,000**	**(299,373)**	**391,627**

ANGLESEY SECURED INVESTMENTS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 $	2015 $
CASH FLOW FROM OPERATING ACTIVITIES			
Interest received		292,659	279,804
Interest paid		(248,296)	(244,127)
Receipts from customers		25,626	1,486
Payments to suppliers		(216,809)	(224,849)
Net cash provided/(used) by operating activities	16(b)	(146,820)	(187,686)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(400)	(6,050)
Payment for investment property		(198,218)	(479,231)
Receipts from sale of investment property		-	238,000
Net (increase) / decrease in loans and advances		(1,012,856)	1,347,739
Net cash used in investing activities		(1,211,474)	1,100,458
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from debenture Issued/(repaid)		944,902	(111,458)
Net cash provided by financing activities		944,902	(111,458)
Net increase / (decrease) in cash held		(413,392)	801,314
Cash at beginning of the year		1,611,064	809,750
Cash at end of the year	16(a)	1,197,672	1,611,064

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 companies main activities are to 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 2016 the net assets of the company were $391,627. Included in the net assets are liabilities with respect to debentures of $4,841,984. At balance date the companies total assets were $5,256,071. Included in assets are cash and cash equivalents of $1,197,672.

(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 to 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 2016 the carry forward tax losses of Anglesey Secured Investments Limited were $721,208 therefore it is not probable that future benefits will be obtained. Accordingly no tax entires 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
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 a 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 on 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

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;
b. 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 date 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

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 of Impairment
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

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 Land 70%
- 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 made against 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 of financial 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.

(q) Amendments to Australian Accounting Standards

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

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards'	1-Jan-17	30-Jun-18
AASB 15: Revenue from Contracts with Customers	1-Jan-18	30-Jun-18

	2016 $	2015 $
NOTE 2: REVENUE		
Interest Revenue		
Investment securities, cash and liquid assets	19,801	26,502
Loans and advances	242,950	280,191
Total Interest Revenue	262,751	306,693
Other Income		
Increase in market value of investment property	151,782	308,095
Other operating revenue	23,502	1,475
Sundry Income	2,124	10
Total other revenue	177,408	309,580
Total Revenue	440,159	616,273

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

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

	2016 $	2015 $
Increase in market value of investment property	151,782	308,095
Depreciation of non-current assets		
- Plant and equipment	1,290	-
Total depreciation	1,290	-
Remuneration of accountants and auditors	18,975	19,855
Interest expense	249,715	251,598

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:

	2016 $	2015 $
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)	1,955	34,696
Income tax expense attributable to profit from ordinary activities	1,955	34,696

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.

	2016 $	2015 $
NOTE 5: EARNINGS PER SHARE		
Net Profit used in calculation of EPS	6,518	115,653
Number of ordinary shares used in calculation of EPS	691,000	691,000
NOTE 6: CASH AND CASH EQUIVALENTS		
Bank Account ANZ	399,735	18,227
ANZ Investments	797,877	1,592,777
Petty Cash	60	60
	1,197,672	1,611,064
NOTE 7: TRADE AND OTHER RECEIVABLES		
Accrued income	4,032	33,940
	4,032	33,940
NOTE 8: LOANS AND ADVANCES		
Loans (secured by mortgage)	3,099,207	2,086,351
Less: provision for loan impairment	-	(40,000)
Net loans and advances	3,099,207	2,046,351

a) Loan Analysis and Impairment

The following table details the companies trade and other receivables 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)				Within Initial Terms
			< 30	30 - 60	61 - 90	> 90	
2016							
Loans Secured by mortgage	3,099,207	-	1,566,139	-	-		1,533,068
Provision for Impairment	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Total	3,099,207	-	1,566,139	-	-	-	1,533,068

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Terms
			< 30	30 - 60	61 - 90	> 90	
2015							
Loans Secured by Mortgage	2,086,351	194,335	449,304	-	-	-	1,442,712
Provision for Impairment	(40,000)	(40,000)	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Total	2,046,351	154,335	449,304	-	-	-	1,442,712

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.

	2016 $	2015 $

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	2016 $	2015 $
Plant & Equipment - at cost	6,450	6,050
Less: Accumulated Depreciation	(1,290)	-
	5,160	6,050

a) Movements in Carrying Amounts

	Plant & Equipment	Total
Balance at 1 July	6,050	-
Additions	400	6,050
Depreciation	(1,290)	
Balance at 30 June	5,160	6,050

NOTE 10: INVESTMENT PROPERTIES

	2016 $	2015 $
Investment Properties - fair value	950,000	600,000
	950,000	600,000
a) Movements in Carrying Amounts		
Balance at 1 July	600,000	-
Additions	198,218	529,906
Sales	-	(238,000)
Revaluation	151,782	308,095
Balance at 30 June	950,000	600,000

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: OTHER CURRENT ASSETS

	2016 $	2015 $
Deposit on property	-	5,827
	-	5,827

NOTE 12: TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade creditors	13,750	8,250
Accrued interest	8,710	12,791
	22,460	21,041

NOTE 13: DEBENTURES

	2016 $	2015 $
Debentures	4,841,984	3,897,082

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 Sandhurst Trustees Limited over the whole of the assets and undertakings of the Company.

Maturity Analysis

	2016 $	2015 $
0-3 months	651,078	593,002
3 months - 12 months	2,445,874	1,628,098
Later than 1 year but not later than 5 years	1,745,032	1,675,982

	2016 $	2015 $
NOTE 14: ISSUED CAPITAL		
456,000 fully paid ordinary shares	456,000	456,000
235,000 fully paid redeemable preference shares	235,000	235,000
	691,000	691,000

The companies 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 companies activity is property development or lending for property development.

As at 30 June 2016 the companies capital ratio was 7.45% (2015 8.95%)

NOTE 15: RETAINED EARNINGS

	2016 $	2015 $
Retained earnings at the beginning of the year	(305,891)	(421,544)
Net profit attributable to members of the company	6,518	115,653
Retained earnings at the end of the year	(299,373)	(305,891)

NOTE 16: NOTES TO THE STATEMENT OF CASHFLOW

(a) **Reconciliation of Cash**

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

	2016 $	2015 $
Cash on hand	1,197,672	1,611,064
	1,197,672	1,611,064

(b) **Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax**

	2016 $	2015 $
Profit from ordinary activities after income tax	6,518	115,653
Non-cash flows in profit from ordinary activities:		
Depreciation	1,290	-
Impairment expense	(40,000)	30,000
Increase in Market Value of Investment property	(151,782)	(308,094)
Changes in assets and liabilities		
(Increase)/decrease in receivables	29,908	(26,889)
(Increase)/decrease in other assets	5,827	(5,827)
Increase/(decrease) in payables and accruals	1,419	7,471
Cash flows from operations	(146,820)	(187,686)

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 17: KEY MANAGEMENT PERSONNEL COMPENSATION

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

Jeffory Herdegen	Executive Director and Chairperson
Vanessa Crompton	Executive Director
Brooke Johnson	Executive Director

NOTE 18: 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 occured during the year:

	2016 $	2015 $
a) Debentures		
Debentures held by related parties at 30 June	-	438
Interest revenue paid to related parties	-	32

b) Loans

The Company does not permit loans to related parties of the company.

c) Rent

	2016 $	2015 $
Rent paid to related parties	17,160	18,142

NOTE 19: FINANCIAL RISK MANAGEMENT

The companies financial instruments consist mainly of cash and deposits with banks, accounts receivable 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
(ii) 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 companies loan portfolio by security type and geographic location of the borrower is set out below;

	2016	2015
Loan portfolio by security type		
Registered mortgages - non development loans	3,099,207	2,046,351
Registered mortgages - development loans	-	-
	3,099,207	2,046,351

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 19: 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 time 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 companies 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 companies exposure to interest rate risk showing the contractual dates for classes of assets and liabilities are disclosed on the following page.

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

The companies exposure to interest rate risk showing the contractual dates for classes of assets and liabilities for 2016 is shown below;

2016			**Fixed Interest Rate**					
	Weighted average rate	**Floating interest rate**	**0 - 12 months**	**1 - 5 years**	**Over 5 years**	**No maturity specified**	**Non-interest bearing**	**Total**
	%	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Assets								
Cash & cash equivalents	1.410%	1,197,672	-	-	-	-	-	1,197,672
Trade & other receivables		-	-	-	-	-	4,032	4,032
Loans & advances	9.443%	-	3,099,207	-	-	-	-	3,099,207
Investment							950,000	950,000
Plant &		-	-	-	-	-	5,160	5,160
Total Assets		**1,197,672**	**3,099,207**	-	-	-	**959,192**	**5,256,071**
Liabilities								
Trade & other payables		-	-	-	-	-	22,460	22,460
Debentures	5.715%	-	3,096,952	1,745,032	-	-	-	4,841,984
Total Liabilities		-	**3,096,952**	**1,745,032**	-	-	**22,460**	**4,864,444**
Total Equity								**391,627**

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

The companies exposure to interest rate risk showing the contractual dates for classes of assets and liabilities for 2015 is shown below;

2015			**Fixed**					
	Weighted average rate	**Floating interest rate**	**0 - 12 months**	**1 - 5 years**	**Over 5 years**	**No maturity specified**	**Non-interest bearing**	**Total**
	%	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Assets								
Cash & cash equivalents	2.190%	1,611,064	-	-	-	-	-	1,611,064
Trade & other receivables		-	-	-	-	-	33,940	33,940
Loans & advances	10.244%	-	1,497,366	548,985	-	-	-	2,046,351
Investment		-	-	-	-	-	600,000	600,000
Other assets		-	-	-	-	-	5,827	5,827
Total Assets		**1,611,064**	**1,497,366**	**548,985**	**-**	**-**	**639,767**	**4,297,182**
Liabilities								
Trade & other payables		-	-	-	-	-	21,041	21,041
Debentures	6.365%	-	2,221,100	1,675,982	-	-	-	3,897,082
Total Liabilities		**-**	**2,221,100**	**1,675,982**	**-**	**-**	**21,041**	**3,918,123**
Total Equity								**379,059**

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

Sensitivity analysis

The following table illustrates the sensitivities to the companies 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 2015.

	Profit or loss		**Equity**	
	1% p.a. Increase	**1% p.a. Decrease**	**1% p.a. Increase**	**1% p.a. Decrease**
2016	**$**	**$**	**$**	**$**
Interest bearing financial assets	42,969	(42,969)	42,969	(42,969)
Interest bearing financial liabilities	(48,420)	48,420	(48,420)	48,420
Cash flow sensitivity (net)	(5,451)	5,451	(5,451)	5,451

	Profit or loss		**Equity**	
	1% p.a. Increase	**1% p.a. Decrease**	**1% p.a. Increase**	**1% p.a. Decrease**
2015	**$**	**$**	**$**	**$**
Interest bearing financial assets	36,574	(36,574)	36,574	(36,574)
Interest bearing financial liabilities	(38,971)	38,971	(38,971)	38,971
Cash flow sensitivity (net)	(2,397)	2,397	(2,397)	2,397

(iv)Foreign exchange risk

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

NOTE 20: 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 21: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There are no contingent liabilities at balance date.

NOTE 22: 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 23: COMPANY DETAILS

The registered office of the company is:
Anglesey Secured Investments Limited
44 Templar Street
FORBES NSW 2871

NOTE 24 - FAIR VALUE MEASUREMENTS

AASB 13 *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 are 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 of 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 is 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 below shows the assigned level for investment properties held at fair value by the Company:

		Level 1	Level 2	Level 3	Total
30 June 2016		$	$	$	$
Recurring fair value measurements	**Note**				
Investment property	10			950,000	950,000

NOTE 24 - FAIR VALUE MEASUREMENTS (Continued)

Valuation Techniques and inputs used to measure Level 3 Fair Values

Description	Fair value as at 30 June 2016	Valuation Techniques	Inputs Used
Investment Property	950,000	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.

As at 30 June 2016 the valuation of the investment property portfolio was performed by Saunders & Staniforth Valuers.

Highest and best use

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

ANGLESEY SECURED INVESTMENTS LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1 The financial statements and notes, as set out on pages 1 to 27 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 2016 of the company and of its performance for the period 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 a resolution of the Board of Directors.

Director..

Jeffory Herdegen

Dated 26th September 2016

Australian Securities & Investments Commission

A BARCODE IS NOT REQUIRED ON THIS DOCUMENT

Form FS71
Corporations Act 2001
s912AA, s912AB, s912AC, s989B

Auditor's Report for AFS Licensee

Refer to Australian Securities and Investments Commission (ASIC) Regulatory Guide 166 and the attached Guide before completing this form.

AFS licensee details
(the 'licensee')

AFS licensee name
ANGLESEY SECURED INVESTMENTS LTD

AFS licence number
292528

Lodgement details

Who should ASIC contact if there is a query about this form?

ASIC registered agent number (if applicable)

Firm/organisation
BUSH + CAMPBELL

Contact name/position description
PETER KING

Telephone number (during business hours)
(02) 69384600

Email address (optional)

Postal address
P O BOX 95

Suburb/City
WAGGA WAGGA

State/Territory
NSW

Postcode
2650

Auditor details

ASIC registered company auditor number *(for individual auditor or authorised audit company)*

Family name

Given name

or

Provide details as registered with ASIC

Authorised audit company name

ACN/ABN

or

Firm name (if applicable)
JOHN L BUSH + CAMPBELL

ABN
33 225 395 249

Office, unit, level

Street number and street name
30 BLAKE STREET

Suburb/City
WAGGA WAGGA

State/Territory
NSW

Postcode
2650

Country (if not Australia)

Financial year

This form is for the financial year 01/07/15 to 30/06/16
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

1 Application Statements

Limited Licensee

This form has been prepared on the basis that the licensee was a limited licensee for the following part of the financial year:

__ __/__ __/__ __ to __ __/__ __/__ __
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

Retail OTC derivative issuer, Responsible entity, IDPS Operators, Custodial or Depository Services

This form has been prepared on the basis that during the financial year the licensee was:

(a) a retail OTC derivative issuer

from __ __/__ __/__ __ to __ __/__ __/__ __
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

(b) authorised to operate registered schemes as a responsible entity

from __ __/__ __/__ __ to __ __/__ __/__ __
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

(c) authorised to operate an Investor Directed Portfolio Service (IDPS) as an IDPS operator

from __ __/__ __/__ __ to __ __/__ __/__ __
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

(d) authorised to provide custodial or depository services

from __ __/__ __/__ __ to __ __/__ __/__ __
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

Market Participant or Clearing Participant

During the financial year, the licensee relied on being a market participant or a clearing participant

from __ __/__ __/__ __ to __ __/__ __/__ __
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

and, during this period the licensee was a participant in the:

(a) ASX market; or
(b) Chi-X market; or
(c) ASX 24 market, and restricted its financial services business to participating in the ASX 24 market and incidental business; or
(d) licensed CS facility operated by ASX Clear Pty Limited; or
(e) licensed CS facility operated by ASX Clear (Futures) Pty Limited, and restricted its financial services business to participating in the licensed CS facility and incidental business; or
(f) APX market

Parts 4 to 8 of this form are **not** applicable to any part of the financial year during which the licensee relied on being a market participant or clearing participant, and was a participant in a market or facility listed above.

APRA Regulated bodies

During the financial year, the licensee relied on being, and was, an Australian Prudential Regulation Authority (APRA) regulated body from __ __/__ __/__ __ to __ __/__ __/__ __
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

For financial years ending on or after 1 July 2015 **Part 7** (with Part 4) is applicable for any part of the financial year where the licensee was an APRA regulated body and both a responsible entity of a registered managed investment scheme (MIS) and a registrable superannuation entity licensee (RSE licensee). Otherwise, **Parts 4 to 8** of this form are **not** applicable to any part of the financial year during which the licensee was an APRA regulated body.

2 Independent Auditor's Report - Subsection 989B(3) of the Act

Report on the Licensee's Financial Report/Statements

The licensee has prepared a financial report/statements for the financial year. The financial report/statements are those that the ASIC Form FS70 signed by the licensee on .26../..5.../.16.. (insert the date Part 1 of the FS70 was signed) and initialled by us for identification relates. We have audited the financial report/statements and our auditor's report is attached to them.

Our auditor's report has been prepared for the licensee in order to meet its obligation to lodge it with ASIC in accordance with section 989B(3) of the Act.

Our auditor's report includes a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

☐ emphasis of matter or other matter paragraph

☒ unmodified opinion that the financial report/statements of the licensee for the financial year are in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the financial performance and financial position of the licensee; and

(b) if the licensee:

- (i) is a reporting entity, that the financial report complies with Australian Accounting Standards.
- (ii) is not a reporting entity, that the financial statements are in accordance with all the recognition and measurement requirements of the Australian Accounting Standards, and in accordance with the disclosure requirements of the Australian Accounting Standards that apply to non-reporting entities,

except that where the licensee is a natural person if noted in the financial report/statements, the licensee may exclude from the financial report/statements and notes thereto the revenue and expenses that do not relate to any business of the licensee or all the revenue and expenses that do not relate to a financial services business of the licensee.

Report on Internal Controls and Required Accounts

We have audited, in relation to the financial year (excluding any period during which the licensee was a limited licensee pursuant to subsection 989B(4) of the *Corporations Act 2001*) (a) the operating effectiveness of internal controls used by the licensee to comply with (i) Divisions 2, 3, 4, 4A, 5 and 6 of Part 7.8 of the *Corporations Act 2001*; and (ii)Division 7 of Part 7.8 other than section 991A (the 'specified internal controls'), and (b) the operation and control of each account required by sections 981B and 982B to be maintained by the licensee (the required accounts).

Licensee's Responsibility for the Specified Internal Controls and Required Accounts

To the extent of the licensee's obligations under the *Corporations Act 2001*, the licensee is responsible for establishing and maintaining effective internal controls in relation to the licensee's compliance with the requirements of the Act, and for operating and controlling accounts required by the Act in accordance with the Act. The Licensee is responsible for identifying the control objectives, identifying the risks that threaten achievement of the control objectives, designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives, and operating effectively the controls as designed throughout the period.

Auditor's Responsibility

Our responsibility is to express an opinion based on our audit on the operating effectiveness of the specified internal controls and on the licensee's operation and control of the required accounts. We conducted our engagement in accordance with the Auditing and Assurance Standards Board's Standards. Those Standards require that we comply with relevant ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, throughout the period the specified internal controls operated effectively and the required accounts were operated and controlled as required.

An assurance engagement to report on the operating effectiveness of controls involves performing procedures to obtain evidence about the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives. Unless we have included a Disclaimer of Opinion below, we believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Inherent Limitations

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the controls that we have assured operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

2 Continued... **Independent Auditor's Report - Subsection 989B(3) of the Act**

Modified opinion

We have included a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

and the basis for this modified opinion

☐ below

☐ in an annexure marked ☐ (indicate identifying letter or symbol used to mark annexure)

Opinion

Unless a modified opinion has been included above or in an annexure, in our opinion, in all material respects, in relation to the financial year (excluding any period during which the licensee was a limited licensee):

(a) the internal controls used by the licensee to comply with Divisions 2, 3, 4, 4A, 5 and 6 of Part 7.8 of the *Corporations Act 2001*; and Division 7 of Part 7.8 other than section 991A have been effective; and

(b) each account required by sections 981B and 982B of the *Corporations Act 2001* to be maintained by the licensee has been operated and controlled in accordance with those sections.

Report on Records, Information and Explanations

Pursuant to regulation 7.8.13 of the Corporations Regulations 2001, our responsibility is to provide an opinion on whether we received all necessary records, information and explanations from the licensee.

Modified opinion

We have included a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

and the basis for this modified opinion

☐ below

☐ in an annexure marked ☐ (indicate identifying letter or symbol used to mark annexure)

Opinion

Unless a modified opinion has been included above or in an annexure, in our opinion, in all material respects, in relation to our auditor's report required under subsection 989B(3) of the *Corporations Act 2001* for the financial year, we received all necessary records, information and explanations from the licensee.

3 **This part has been left blank intentionally**

4 Scope - Audit and review of financial requirements

The following applies to the opinions expressed in parts 5 to 8 in this form.

We have audited and reviewed (as applicable) aspects of the licensee's financial requirements as specified in the *Corporations Act 2001* and the licensee's licence conditions. The financial requirements of Australian financial service licensees and their audit obligations are further explained in ASIC's Regulatory Guide *RG 166 Licensing: Financial requirements.*

The Licensee's Responsibility
The licensee is responsible for their compliance with the *Corporations Act 2001*, and for such internal controls that they determine are necessary for their compliance.

Auditor's Responsibility
We conducted our audit and review in accordance with the applicable standards issued by the Auditing and Assurance Standards Board (AUASB). Those standards require that we comply with relevant ethical requirements relating to audit and review engagements and plan and perform our audit to obtain reasonable assurance, and our review to obtain limited assurance about the licensee's compliance with the financial requirements in order to express our opinions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our review procedures consisted primarily of inspection of evidence and observation of, and enquiry about, the operation of the procedures and internal controls of the financial risk management system and comparison and other such analytical review procedures we considered necessary.

Limitations
Because of the inherent limitations of any internal control structure it is possible that errors or irregularities may occur and not be detected. We have not audited the overall internal control structure of the licensee and no opinion is expressed as to its effectiveness. An audit is not designed to detect all weaknesses in control procedures or all instances of non-compliance as it is not performed continuously throughout the period and the tests performed are on a sample basis having regard to the nature and size of the licensee. Any projection of the evaluation of internal control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Where we have expressed an opinion in relation to projections our procedures have been restricted to an examination on a test basis throughout the relevant period to determine that the licensee had a projection in place, a review of projections identified on a test basis to ensure that they were materially in accordance with the requirements of the Act, as modified, to prepare projection of the licensee's cash flows as applicable, and testing that projections identified on a test basis were mathematically accurate based on the underlying assumptions as documented by the licensee. The underlying assumptions for projections are subject to significant uncertainties and contingencies often outside the control of the licensee. If events do not occur as assumed, actual results and cash maintained by the licensee may vary significantly from the projection. Accordingly, we do not confirm or guarantee the achievement of the projections, as future events, by their nature, are not capable of independent substantiation.

Accordingly, we have included such tests and procedures that we considered necessary in the circumstances. Unless we have included a Disclaimer of Opinion below, we believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit and review opinions.

5 Licence conditions - Base level financial requirements

Part 5 of this form:

☐ does **not** apply to the licensee for the full financial year

☐ applies to the licensee for all or part of the financial year

Part 5 of this form does not apply to any part of the financial year where the licensee was:

(a) a limited licensee as defined in subsection 989B(4) of the Act.
(b) a retail OTC derivative issuer (refer part 6).
(c) authorised to operate registered schemes as a responsible entity (refer part 7)
(d) authorised to operate an Investor Directed Portfolio Service (IDPS) as an IDPS operator (refer part 7) ; or
(e) authorised to provide custodial or depository services (refer part 8)

License conditions

The following auditor's opinions are expressed where the licensee's cash needs option and dates are included. Where no dates are included no opinion is expressed.

The opinions in part 5 are based on the conditions in ASIC Pro Forma 209 [PF 209]. The opinions expressed below are to be read as though the PF 209 condition references 13 to 26 were replaced with [5] to [12], which are the paragraph references to the identical conditions in the licensee's actual licence.

Where the licensee's actual licence conditions differ from the relevant PF209 conditions, and where practical to do so, written amendments or notations have been made on this form to reflect these differences as necessary, otherwise we have attached the opinions required by the licensee's licensee conditions in an annexure marked [ ] (indicate identifying letter or symbol used to mark annexure)

Cash needs requirements option

The licensee used the cash needs requirements 'Option [1]' *[number 1 to 5 is inserted as appropriate]* as defined in the conditions of the licensee's licence (its licence).

'Option 1' or 'Option 2'

Where the licensee used cash needs requirements 'Option 1' or 'Option 2'
in relation to the period 01/07/15 to 30/06/16
[DD] [MM] [YY] [DD] [MM] [YY]
where necessary we have included a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

☐ below or

☐ in an annexure marked [ ] (indicate identifying letter or symbol used to mark annexure)

otherwise
(a) in our opinion, based on our audit, in all material respects, the licensee:
(i) complied with all the financial requirements under conditions 13 to 26 (inclusive) of its licence other than paragraph 13(c) of its licence, except for paragraph (e) of the definition of "Option 1" under its licence if the licensee purports to comply with "Option 1"; and
(ii) had at all times a projection (covering at least the following 3 months) that purported to, and appeared on its face to comply with, paragraph (a) of the definition of either "Option 1" or "Option 2" (as applicable) under its licence; and;
(iii) correctly calculated the projections on the basis of the assumptions the licensee adopted for the projections; and
(b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following an examination of the documents the licensee relied on in complying with "Option 1" or "Option 2" as defined under its licence, in all material respects:
(i) the licensee did not satisfy the requirements of paragraph 912A(1)(h) of the Act for managing the risk of having insufficient financial resources to comply with the conditions of its licence; and
(ii) the licensee failed to comply with the cash needs requirement using either "Option 1" or "Option 2" as defined under its licence (as applicable) except for paragraphs (a), (c) and (e) of the definition of "Option 1" or paragraphs (a and (c) of the definition of "Option 2"; and
(iii) if the licensee relied on "Option 1" as defined under its licence, the assumptions the licensee adopted for its projection were unreasonable; or
(iv) if the licensee relied on "Option 2" as defined under its licence, the basis for the selection of assumptions to meet the requirements for the projection adopted was unreasonable.

5 Continued... **Licence conditions - Base level financial requirements**

'Option 3'

Where the licensee used cash needs requirements 'Option 3'

in relation to the period ☐☐/☐☐/☐☐ to ☐☐/☐☐/☐☐
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

where necessary we have included a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

☐ below or

☐ in an annexure marked ☐ (indicate identifying letter or symbol used to mark annexure)

otherwise:

(a) in our opinion, based on our audit, in all material respects, the licensee:

(i) complied with all the financial requirements under conditions 13 to 26 (inclusive) of its licence other than paragraph 13(c); and

(ii) has obtained from an Australian ADI or a foreign deposit-taking institution approved in writing by ASIC as an eligible provider an enforceable and unqualified commitment to pay on demand from time to time an unlimited amount to the licensee, or the amount for which the licensee is liable to its creditors at the time of demand to the licensee's creditors or a trustee for the licensee's creditors.

'Option 4'

Where the licensee used cash needs requirements 'Option 4'

in relation to the period ☐☐/☐☐/☐☐ to ☐☐/☐☐/☐☐
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

where necessary we have included a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

☐ below or

☐ in an annexure marked ☐ (indicate identifying letter or symbol used to mark annexure)

otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee complied with all the financial requirements under conditions 13 to 26 (inclusive) of its licence other than paragraph 13(c); and

(b) in our opinion, based on our audit, in all material respects, following our examination of the documents prepared for subparagraph 13(c)(iv)(C), the licensee complied with subparagraph 13(c)(iv)(A) and subparagraph 13(c)(iv)(C) of its licence; and

(c) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following our examination of the documents prepared for subparagraph 13(c)(iv)(C) of its licence, in all material respects:

(i) the licensee did not satisfy the requirements of paragraph 912A(1)(h) of the Act for managing the risk of having insufficient financial resources to comply with the conditions in its licence; and

(ii) the basis for the selection of the assumptions adopted was unreasonable.

5 Continued... **Licence conditions - Base level financial requirements**

'Option 5'

Where the licensee used cash needs requirements 'Option 5'

The licensee purports to comply with Alternative A in subparagraph 13(c)(v)(E) for the following period:

☐☐/☐☐/☐☐ to ☐☐/☐☐/☐☐
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

The licensee relied on Alternative B in subparagraph 13(c)(v)(E) for the following period:

☐☐/☐☐/☐☐ to ☐☐/☐☐/☐☐
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

in relation to the period ☐☐/☐☐/☐☐ to ☐☐/☐☐/☐☐
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

where necessary we have included a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

☐ below or

☐ in an annexure marked ☐ (indicate identifying letter or symbol used to mark annexure)

otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee:

(i) complied with all the financial requirements under conditions 13 to 26 (inclusive) of its licence other than paragraph 13(c); and

(ii) complied with subparagraph 13(c)(v)(A) and (B) of its licence; and

(iii) for any period when the licensee purports to comply with Alternative A in subparagraph 13(c)(v)(E), the parent entity has provided an enforceable and unqualified commitment to pay on demand from time to time an unlimited amount to the licensee or to meet the licensee's liabilities; and

(b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, for any period when the licensee relied on Alternative B in subparagraph 13(c)(v)(E), following our examination of the documents prepared for Alternative B, in all material respects:

(i) the licensee did not satisfy the requirements of paragraph 912A(1)(h) of the Act for managing the risk of having insufficient financial resources to comply with the conditions in its licence. and

(ii) the basis for the selection of the assumptions adopted was unreasonable.

6 Licence conditions - Retail OTC Derivative Issue [CO 12/752]

Part 6 of this form:

☐ does **not** apply to the licensee for the full financial year

☐ applies to the licensee for all or part of the financial year

Part 6 of this form applies only to the period during the financial year, if any, where section 912AB of the *Corporations Act 2001* applied to the licensee (i.e. where the licensee was a retail OTC derivative issuer) – refer also to [CO 12/752].

In relation to the period ☐☐/☐☐/☐☐ to ☐☐/☐☐/☐☐
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

where necessary we have included a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

☐ below or

☐ in an annexure marked ☐ (indicate identifying letter or symbol used to mark annexure)

otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee:
   (i) complied with subsections 912AB(4) and (5) and other financial requirements in conditions on its licence; and
   (ii) had at all times a projection that purports to, and appears on its face to, comply with paragraph 912AB(3)(a); and
   (iii) correctly calculated the projection in paragraph 912AB(3)(a) on the basis of the assumptions the licensee adopted for the projection; and

(b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following our examination of the calculations, assumptions and description prepared under paragraph 912AB(3)(c) and relied on by the licensee in complying with paragraph 912AB(3)(a), in all material respects:
   (i) the licensee did not satisfy the requirements of paragraph 912A(1)(h) of the Act for managing the risk of having insufficient financial resources to comply with subsections 912AB(4) and (5) and other financial requirements in conditions on its licence; or
   (ii) the licensee failed to comply with paragraphs 912AB3(b), (c) or (d); or
   (iii) the assumptions the licensee adopted for its projection in paragraph 912AB(3)(a) were inappropriate.

7 Licence conditions - Responsible Entity or IDPS Operator [CO 13/760]

Part 7 of this form:

☐ does **not** apply to the licensee for the full financial year

☐ applies to the licensee for all or part of the financial year

Part 7 of this form applies only to the period during the financial year, if any, where section 912AA of the *Corporations Act 2001* applied to the licensee (i.e. where the licensee was authorised to operate registered schemes as a responsible entity or was authorised to operate an Investor Directed Portfolio Service (IDPS) as an IDPS operator) – refer also to [CO 13/760].

In relation to the period ☐☐/☐☐/☐☐ to ☐☐/☐☐/☐☐
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

where necessary we have included a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

☐ below or

☐ in an annexure marked ☐ (indicate identifying letter or symbol used to mark annexure)

otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee:
   (i) complied with paragraph 912AA(3)(b) and subsections 912AA(4) and (8) and other financial requirements in conditions on its licence; and
   (ii) had at all times a projection that purports to, and appears on its face to, comply with paragraph 912AA(3)(a); and
   (iii) correctly calculated the projection in paragraph 912AA(3)(a) on the basis of the assumptions the licensee used for the projection; and

(b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following an examination of the calculations, assumptions and description prepared under paragraph 912AA(3)(c) and relied on by the licensee in complying with paragraph 912AA(3)(a), the projections prepared under paragraph 912AA(3)(a) and the document prepared under paragraph 912AA(3)(e), in all material respects:
   (i) the licensee did not have adequate systems for managing the risk of having insufficient financial resources to comply with subsections 912AA(4) and (8) and other financial requirements in conditions on its licence; or
   Note: Paragraph 912A(1)(h) requires a licensee (other than certain bodies regulated by APRA) to have adequate risk management systems; or
   (ii) the licensee failed to comply with paragraph 912AA(3)(c); or
   (iii) the licensee will not have access when needed to enough financial resources to meet its liabilities over the projected term of at least the next 12 months; or
   (iv) the licensee will not hold at all times during the period to which the projection relates in cash or cash equivalents, an amount equal to or greater than the current amount the licensee is required to hold in cash or cash equivalents under subsection 912AA(8); or
   (v) the assumptions the licensee adopted for its projection in paragraph 912AA3(a) were unreasonable.

8 Licence conditions - Custodial or depository service provider [CO 13/761]

Part 8 of this form:

☐ does **not** apply to the licensee for the full financial year

☐ applies to the licensee for all or part of the financial year

Part 8 of this form applies only to the period during the financial year, if any, where section 912AC of the *Corporations Act 2001* applied to the licensee (i.e. where the licensee was authorised to provide custodial or depository services) – refer also to [CO 13/761].

In relation to the period ☐☐/☐☐/☐☐ to ☐☐/☐☐/☐☐
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

where necessary we have included a

☐ qualified opinion ☐ adverse opinion ☐ disclaimer of opinion

☐ below or

☐ in an annexure marked ☐ (indicate identifying letter or symbol used to mark annexure)

otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee:

(i) complied with paragraph 912AC(3)(b) and subsections 912AC(4) and (7) (or did not need to comply with subsections 912AC(4) and (7) on the basis that subsection 912AC(5) applied) and other financial requirements in conditions on its licence; and

(ii) had at all times a projection that purports to, and appears on its face to, comply with paragraph 912AC(3)(a); and

(iii) correctly calculated the projection in paragraph 912AC(3)(a) on the basis of the assumptions the licensee used for the projection; and

(b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following our examination of the calculations, assumptions and description prepared under paragraph 912AC(3)(c) and relied on by the licensee in complying with paragraph 912AC(3)(a), the projections prepared under paragraph 912AC(3)(a) and the document prepared under paragraph 912AC(3)(e), in all material respects:

(i) the licensee did not have adequate systems for managing the risk of having insufficient financial resources to comply with subsections 912AC(4) and (7) of this section (if applicable) and other financial requirements in conditions on its licence; or

Note: Paragraph 912A(1)(h) requires a licensee (other than certain bodies regulated by APRA) to have adequate risk management systems.

(ii) the licensee failed to comply with paragraph 912AC(3)(c); or

(iii) the licensee will not have access when needed to enough financial resources to meet its liabilities over the projected term of at least the next 12 months; or

(iv) the licensee will not hold at all times during the period to which the projection relates in cash or cash equivalents, an amount equal to or greater than the current amount the licensee is required to hold in cash or cash equivalents under subsection 912AC(7); or

(v) the assumptions the licensee adopted for its projection in paragraph 912AC(3)(a) were unreasonable; and

(c) if the licensee sought to comply with the NTA requirement in paragraph 912AC(4)(b) on the basis that it was an **incidental provider**, the auditor has no reason to believe that licensee did not satisfy the requirement in paragraph (b) of the definition of incidental provider in subsection 912AC(12).

9 Non-material Matters

Where we have expressed opinions in:
a) Report on Internal Controls and Required Accounts in Part 2;
b) Report on Records, Information and Explanations in Part 2; and
c) Parts 4 to 8
the opinions have been made "in all material respects" based on our audit or review (as appropriate), which were planned and performed based on our assessment of materiality.

We include below or in an annexure, details of non-material matters identified when performing the audit or review procedures referred to above. These are matters that relate to:
a) the specified internal controls not being effective, or the required accounts not being operated and controlled as required (Report on Internal Controls and Required Accounts in Part 2);
b) necessary records, information and explanations not being received from the licensee (Report on Records, Information and Explanations in Part 2); and/or
c) the licensee not complying with the matters referred to in our opinions (in Parts 4 to 8), including as appropriate:
i) compliance with the financial or other conditions of its licence;
ii) compliance with requirements of the Act;
iii) whether the licensee had the required cash flow projections;
iv) whether the projections have been correctly calculated;
v) whether the basis for selecting assumptions adopted was unreasonable; and
vi) whether the licensee had adequate risk management systems.
as referred to in the opinions we expressed.

We have not included in this part any matter that has been reported to ASIC previously under section 990K of the Act or that has been included elsewhere in this form.

The non-material matters identified are:

☐ below or
☐ in an annexure marked ______ (indicate identifying letter or symbol used to mark annexure)

10 Independence and Quality Control

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
The firm applies Australian Standard on Quality Control ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

11 Section 990K Matters

Subsection 990K(1) of the *Corporations Act 2001* requires that, if in the performance of duties as auditor of the licensee, we becomes aware of a matter referred to in subsection (2), we must, within 7 days after becoming aware of the matter, lodge a written report on the matter with ASIC and send a copy of the report to the licensee, and to each licensed market (if any) and each licensed CS facility (if any) in which the licensee is a participant.

We have reported all matters to ASIC as required by section 990K, either previously, in other parts of this form, or
☐ below or ☐ in an annexure marked ______ (indicate identifying letter or symbol used to mark annexure)

Signature

This form must be signed by:

- the individual auditor; or
- if the auditor is a firm, by an ASIC registered company auditor of the firm; or
- in the case of an authorised audit company, by a current director.

To the best of my knowledge, the information in this form and annexures is true and complete (it is an offence to provide false or misleading information to ASIC).

Name

JOHN L BUSH + CAMPBELL

Signature

Capacity

[X] Auditor

[ ] Authorised audit company director

Date signed

2 6 / 0 9 / 1 6
[D D] [M M] [Y Y]

Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission,
PO Box 4000, Gippsland Mail Centre VIC 3841.

For more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

John I.
Bush & Campbell Accountants
Experts by your side.

PARTNERS:
P.J. King CA
A.P. Powell CA
J.K. Maxwell CPA
Affiliate CAANZ
D.R. Uden CA
R.K. Nicoll CA

INDEPENDENT AUDITOR'S ASSURANCE REPORT IN RELATION TO BENCHMARK INFORMATION TO THE TRUSTEE FOR DEBENTURE HOLDERS OF *ANGLESEY SECURED INVESTMENTS LIMITED*

We have:

(a) audited the design and operating effectiveness of certain internal controls over the benchmark information appearing on pages 12 to 17 of the prospectus of Anglesey Secured Investments Ltd ("the Entity") dated 20 April 2016 and the Quarterly Report dated 30/06/2016 ("the Benchmark Information") to support the opinion below; and

(b) reviewed the disclosure of certain Benchmark Information to support the conclusion below.

Directors' responsibilities

The directors of the Entity are responsible for the preparation and presentation of the Benchmark Information in accordance with ASIC Regulatory Guide 69 *Debentures and unsecured notes – improving disclosure for retail investors* ("RG 69"). The directors are also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Benchmark Information, and for monitoring compliance with the benchmarks.

Auditor's responsibilities

Audit of controls over benchmarks

Our responsibility is to express an opinion on the adequacy of design and operating effectiveness of the internal controls in relation to the equity ratio of the Entity (being the ratio of total equity to the sum of total equity and liabilities), cash flow projections of the Entity and lending by the Entity that are relevant to achieving the control objectives in the opinion below.

Our procedures have been conducted in accordance with applicable Standards on Assurance Engagements issued by the Auditing and Assurance Standards Board, except that the effect of events occurring after 30/06/2016 up to the date of this report have not been considered. The Standards on Assurance Engagements require that we comply with the relevant ethical requirements relating to assurance engagements and plan and perform the audit to obtain reasonable assurance whether the internal controls have been designed and operated effectively to achieve the control objectives in the opinion below. Our procedures have been undertaken to form an opinion whether in all material respects, the internal controls in relation to the equity ratio of the Entity, cash flow projections of the Entity and lending by the Entity were adequately designed and operated effectively to support the opinion below.

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Because of the inherent limitations of any internal control structure it is possible that fraud or errors may occur and not be detected. We have not audited the overall internal control structure and no opinion is expressed as to its effectiveness. An audit is not designed to detect all weaknesses in control procedures or all instances of noncompliance as it is not performed continuously throughout the period and the tests performed are on a sample basis having regard to the nature and size of the Entity.

Any projection of the evaluation of internal control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

Review of benchmarks

Our responsibility is to express a conclusion on certain disclosures in relation to the rollover approach, on lending of funds and the value of property security, based on a review.

We conducted our review in accordance with applicable Standards on Assurance Engagements, except that the effect of events occurring after 30/06/2016 up to the date of this report have not been considered. Our review was conducted, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the matters specified in the conclusion below are not presented, in all material respects, in accordance with the relevant paragraphs of RG 69.

A review is limited primarily to inquiries of company personnel, review of documented policies, and analytical procedures applied to relevant financial data. A review is substantially less in scope than an audit 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 on the matters that are subject to a review.

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

Opinion on controls

In our opinion, in all material respects, the internal controls of the Entity were adequately designed and operated effectively during the period 1 July 2015 to 30 June 2016 to achieve the control objectives below:

(a) The equity ratio of the Entity was appropriately monitored and instances where the ratio was less than 8% *were* identified and reported to the directors;

(b) The Entity had at all times a cash flow projection covering at least the following 3 months in accordance with paragraph 37 of RG 69;

(c) The Entity had calculated the cash flow projections referred to in (b) on the basis of the assumptions the entity adopted for those projections;

(d) Minimum loan to valuation ratios of 70% of the latest complying valuations where the loan relates to development property and 80% of the latest complying market valuation for other loans were met; and

(e) Loans to property developers were only provided in stages based on external evidence of progress of the development.

Review conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the disclosure of:

a) The rollover approach in the Benchmark Information;

b) Where the Entity on-lends funds, policies and other information provided in the Benchmark Information in relation to loans and lending (including lending to related parties); and

c) Where the Entity lent money for property-related activities, policies and other information provided in the Benchmark Information in relation to the value of property security,

were not presented, in all material respects, in accordance with paragraphs 44, 58 to 60 and 68 of RG 69;

The Entity does not have a current credit rating by an ASIC recognised ratings agency in accordance with RG 69.49

Sincerely,

JOHN L BUSH & CAMPBELL
Chartered Accountants

Peter King
Partner

26 September 2016