# Anglesey Secured Investments Ltd

**ABN 91 111 607 606**

## Financial Statements

**For the Year Ended 30 June 2020**

**Anglesey Secured Investments Ltd**

**ABN 91 111 607 606**

# Contents

## For the Year Ended 30 June 2020

# Directors' Report
## 30 June 2020

The directors present their report on Anglesey Secured Investments Ltd for the financial year ended 30 June 2020.

### 1. General information

#### Information on directors

The names of each person who has been a director during the year and to the date of this report are:
Henry Pinskier
Peter David Wright
Geoffrey John Wensley

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Principal activities

The principal activity of Anglesey Secured Investments Ltd during the financial year was Debenture and Borrowing facilities.

No significant changes in the nature of the Company's activity occurred during the financial year.

### 2. Operating results and review of operations for the year

#### Operating results

The loss of the Company before providing for income tax amounted to $ (230,261) (2019: $ (140,267)).

### 3. Other items

#### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

#### Matters or circumstances arising after the end of the year

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

#### Future developments and results

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

#### Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or a state or territory.

## Anglesey Secured Investments Ltd

**ABN 91 111 607 606**

# Directors' Report

## 30 June 2020

### Company secretary

The following person held the position of Company Secretary at the end of the financial year:

Geoffrey John Wensley has been the company secretary since 2019.

### Indemnification and insurance of officers

All Directors of ASI are covered by PI insurance to the value of $2.5 million.

### Proceedings on behalf of company

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 3 of the financial report.

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

Director: ..............................................................
Peter David Wright

Director: ..............................................................
Geoffrey John Wensley

Dated this 4th September 2020

Rosenfeld Kant & Co
Chartered Accountants
ABN: 74 057 092 046

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**Anglesey Secured Investments Ltd**

**ABN 91 111 607 606**

# Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Anglesey Secured Investments Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

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

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

Raul Valois, CA
Partner
Rosenfeld Kant and Co

Bondi Junction

Dated this ..........7th.......... Day of ..........September..........2020

# Statement of Profit or Loss and Other Comprehensive Income

## For the Year Ended 30 June 2020

| | Note | 2020<br>$ | 2019<br>$ |
|---|---|---|---|
| Interest received | 4 | **171,014** | 110,487 |
| Other income | 4 | **162,088** | 4,927 |
| Occupancy costs | | **-** | (8,250) |
| Administrative expenses | | **(39,881)** | (17,703) |
| Impairment Investment Property | 11(a) | **(66,801)** | - |
| Amortisation and Depreciation | | **(153,753)** | - |
| Other expenses | | **(302,928)** | (229,728) |
| **Loss before income tax** | | **(230,261)** | (140,267) |
| Income tax expense | | **-** | - |
| **Loss from continuing operations** | | **(230,261)** | (140,267) |
| **Loss for the year** | | **(230,261)** | (140,267) |
| **Total comprehensive income for the year** | | **(230,261)** | (140,267) |

The accompanying notes form part of these financial statements.

## Anglesey Secured Investments Ltd

**ABN 91 111 607 606**

# Statement of Financial Position

## As at 30 June 2020

| | Note | 2020 $ | 2019 $ |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | **2,749,311** | 898,665 |
| Trade and other receivables | 8 | **132,404** | 18,676 |
| Loans and advances | 9 | **2,961,643** | 5,124,092 |
| TOTAL CURRENT ASSETS | | **5,843,358** | 6,041,433 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | **49,285** | 7,648 |
| Investment properties | 11 | **560,558** | 627,359 |
| Intangible assets | 12 | **27,500** | - |
| Other assets | | **5,170** | 27,000 |
| TOTAL NON-CURRENT ASSETS | | **642,513** | 662,007 |
| TOTAL ASSETS | | **6,485,871** | 6,703,440 |
| **LIABILITIES** | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | **47,545** | 39,966 |
| Borrowings | 14 | **6,134,975** | 6,369,862 |
| TOTAL CURRENT LIABILITIES | | **6,182,520** | 6,409,828 |
| NON-CURRENT LIABILITIES | | | |
| TOTAL LIABILITIES | | **6,182,520** | 6,409,828 |
| NET ASSETS | | **303,351** | 293,612 |
| **EQUITY** | | | |
| Issued capital | | **1,261,000** | 1,021,000 |
| Retained earnings | | **(957,649)** | (727,388) |
| | | **303,351** | 293,612 |
| TOTAL EQUITY | | **303,351** | 293,612 |

The accompanying notes form part of these financial statements.

# Statement of Changes in Equity

## For the Year Ended 30 June 2020

**2020**

| | Ordinary Shares | Redeemable Preference Shares | Retained Earnings | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance at 1 July 2019** | **456,000** | **565,000** | **(727,388)** | **293,612** |
| Loss attributable to entity | **-** | **-** | **(230,261)** | **(230,261)** |
| Contribution of equity, net of transaction costs | **240,000** | **-** | **-** | **240,000** |
| **Balance at 30 June 2020** | **696,000** | **565,000** | **(957,649)** | **303,351** |

**2019**

| | Ordinary Shares | Redeemable Preference Shares | Retained Earnings | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance at 1 July 2018** | 456,000 | 565,000 | (586,496) | 434,504 |
| Loss attributable to entity | - | - | (140,267) | (140,267) |
| Retrospective adjustment upon change in accounting policy | - | - | (625) | (625) |
| **Balance at 30 June 2019** | 456,000 | 565,000 | (727,388) | 293,612 |

The accompanying notes form part of these financial statements.

## Anglesey Secured Investments Ltd

**ABN 91 111 607 606**

# Statement of Cash Flows

## For the Year Ended 30 June 2020

| | Note | 2020 $ | 2019 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Receipts from customers | | **162,088** | 4,927 |
| Payments to suppliers and employees | | **(386,940)** | (255,682) |
| Interest received | | **498,221** | 387,096 |
| Interest paid | | **(327,433)** | (296,042) |
| Net cash provided by/(used in) operating activities | | **54,064** | (159,701) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Purchase of property, plant and equipment | | **(73,927)** | (7,648) |
| Payment of financial assets | | **977,402** | (150,000) |
| Net cash provided by/(used in) investing activities | | **903,475** | (157,648) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Proceeds from issue of shares | | **240,000** | - |
| Proceeds from borrowings | | **761,235** | 323,067 |
| Net cash provided by/(used in) financing activities | | **1,001,235** | 323,067 |
| Net increase/(decrease) in cash and cash equivalents held | | **1,850,646** | 5,718 |
| Cash and cash equivalents at beginning of year | | **898,665** | 892,947 |
| Cash and cash equivalents at end of financial year | 7 | **2,749,311** | 898,665 |

The accompanying notes form part of these financial statements.

The financial report covers Anglesey Secured Investments Ltd as an individual entity. Anglesey Secured Investments Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Anglesey Secured Investments Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 04 September 2020.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001.*

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

#### (b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

### 2 Summary of Significant Accounting Policies

#### (b) Revenue and other income

**Revenue from contracts with customers**

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

**Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Company is:

- Debenture Interest
- Late fees

**Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

#### (c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### (d) 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.

**Plant and equipment**

Plant and equipment are measured using the cost model.

**2 Summary of Significant Accounting Policies**

**(d) Property, plant and equipment**

**Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|---|---|
| Motor Vehicles | 33.3% |
| Office Equipment | 20% - 100% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

**(e) Investment property**

Investment property is carried at fair value, determined annually by independent or directors valuation. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

**(f) Financial instruments**

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial assets**

Financial assets are divided into the following categories, which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but

## 2 Summary of Significant Accounting Policies

### (f) Financial instruments

**Financial assets**

also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the Company to be carried at fair value through profit or loss upon initial recognition

**Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

**Impairment of Financial Assets Loans and Advances**

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

*Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

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 ad debts are recognised as expenses in the profit and loss account.

## 2 Summary of Significant Accounting Policies

### (f) Financial instruments

**Impairment of Financial Assets Loans and Advances**

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (h) 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 operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

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

At 30 June 2020 the net assets of the company were $303,352. Included in the net assets are liabilities with respect to debentures of $6,134,975. At balance date the company’s total assets were $6,485,871. Including cash and cash equivalents of $2,749,311.

### (i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

### 2 Summary of Significant Accounting Policies

#### (j) 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 cashflows, 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's of significant receivables that are not as impaired individually is performed by planning 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 is performed by placing non significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjuster for any effect of conditions exiting at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value is use. In accessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that doesn't to generate largely independent cash inflows, the recoverable am amount is determine for the cash generating until to which the asset belongs.

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

**Key estimates - impairment of property, plant and equipment**

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Key estimates - fair value of financial instruments**

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

**Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 3 Critical Accounting Estimates and Judgments

**Key estimates 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 realty property must be valued by an independent licenses 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 cashflows. 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 cashflows 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 cashflows 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.

**Recoverable amount of financial and non-financial assets**

In terms of provision 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 cashflows. The cash flow requires critical judgements to be made on the timing of the cash inflows and outflows in determining the recoverability the loans. If the principal and unpaid interest and fees falls sour of the discounted cashflows 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, investments, periodical independent valuations from licensed valuer's are commission in assessing recoverable amount and net realisable 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 markers and estimated project development potential. Changes in these assumptions used 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.

### 3 Critical Accounting Estimates and Judgments

**Recoverable amount of financial and non-financial assets**

Similarly for non-current assets, land and buildings not held for resale, periodic and independent valuations from licence valuer's are commissioned in accessing recoverable amount and net realisable values.

Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the Company's that may lead to the impairment of assets. Where an impairment trigger exits, the recoverable amount of the asset is determined. Value-in-use calculations which incorporate key estimates, are performed in accessing recoverable amounts.

### 4 Revenue and Other Income

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| **Other Contractual Income** | | |
| - CEP Fee income | **106,300** | 4,927 |
| - Interest penalty | **55,788** | - |
| - Interest received | **171,014** | 110,487 |
| | **333,102** | 115,414 |

### 5 Major Expenses for the Year

The result for the year includes the following specific expenses:

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| **Expenses:** | | |
| Insurance | **89,153** | 16,464 |
| Legal Expenses | **113,248** | 29,592 |
| Trustee Fees | **71,501** | 60,500 |
| Advertising | **13,653** | - |
| ASIC Fees | **13,938** | 5,312 |

# Notes to the Financial Statements

## For the Year Ended 30 June 2020

### 6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

(b) Reconciliation of income tax to accounting profit:

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| Prima facie tax payable on profit from ordinary activities before income tax at 30% (2019: 30%) | **(69,078)** | (42,080) |
| Add: | | |
| Tax effect of: | | |
| - non-deductible expenses | **220,554** | 29,914 |
| | **151,476** | (12,166) |
| Less: | | |
| Tax effect of: | | |
| - Deductible Depreciation | **32,290** | 29,914 |
| Income tax expense | **119,186** | (42,080) |

Income tax expense, deferred tax assets and liabilities have not been recorded as the Directors feel that tax losses will not be utilised in the foreseeable future.

### 7 Cash and Cash Equivalents

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| Cash at bank and in hand | **251,994** | 264,108 |
| Other cash and cash equivalents | **2,497,317** | 634,557 |
| | **2,749,311** | 898,665 |

### 8 Trade and other receivables

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Trade receivables | **1,257** | - |
| Accrued Interest Loans | **9,721** | 14,421 |
| Accrued Interest Investments | **121,426** | 4,255 |
| **Total current trade and other receivables** | **132,404** | 18,676 |

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial

### 8 Trade and other receivables

statements.

### 9 Loans and Advances

#### (a) Loan Analysis and Impairment

| | < 30 days $ | 31-60 days $ | 61-90 days $ | > 90 days $ | Within Terms $ | Gross amount $ |
|---|---|---|---|---|---|---|
| **2019** | | | | | | |
| Loans Secured by mortgage | - | - | - | - | 2,961,643 | 2,961,643 |
| Provision for Impairment | - | - | - | - | - | - |
| Other receivables | - | - | - | - | - | - |
| **Subtotal** | - | - | - | - | 2,961,643 | 2,961,643 |
| Provision for Impairment | - | - | - | - | - | - |
| Other receivables | - | - | - | - | - | - |
| **Subtotal** | - | - | - | - | - | - |

The above table details the company's 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 proved for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

**Impairment losses**

A provision for impairment loss 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.

| | 2020 $ | 2019 $ |
|---|---|---|
| CURRENT | | |
| Loans to NBFI | **-** | 437,231 |
| Loans control accounts | **2,961,643** | 4,686,861 |
| | **2,961,643** | 5,124,092 |

### 10 Property, plant and equipment

PLANT AND EQUIPMENT

| | 2020 $ | 2019 $ |
|---|---|---|
| Motor vehicles | | |
| At cost | **73,927** | - |
| Accumulated depreciation | **(24,642)** | - |
| Total motor vehicles | **49,285** | - |

### 10 Property, plant and equipment

| | | |
|---|---|---|
| Office equipment | | |
| At cost | **65,461** | 65,461 |
| Accumulated depreciation | **(65,461)** | (57,813) |
| Total office equipment | **-** | 7,648 |
| **Total property, plant and equipment** | **49,285** | 7,648 |

#### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| | Motor Vehicles | Office Equipment | Total |
|---|---|---|---|
| | $ | $ | $ |
| **Year ended 30 June 2020** | | | |
| Balance at the beginning of year | **-** | **7,648** | **7,648** |
| Additions | **73,927** | **-** | **73,927** |
| Depreciation expense | **(24,642)** | **(7,648)** | **(32,290)** |
| **Balance at the end of the year** | **49,285** | **-** | **49,285** |

### 11 Investment Properties

#### (a) Valuation

The valuation of investment properties is based upon independent valuations conducted by Saunders and Staniforth during the 2015 year.

No independent revaluation was completed during the 2019 year Directors have reviewed the value of the current investment property and feel that due to recent droughts, bush fires and the selling of another property at less than valued in 2015 it is necessary to impair the value of the investment property by $66,801. The Directors consider that the current value to be reflective of the market value at this time.

Investment property

- 52-70 Church Street Forbes

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| **At fair value** | | |
| **Owned Property** | | |
| Balance at beginning of year | **627,359** | 627,359 |
| Impairment of Investment | **(66,801)** | - |
| **Total Investment Properties** | **560,558** | 627,359 |

### 12 Intangible Assets

| | | |
|---|---|---|
| Access | | |
| Computer software | **93,315** | - |
| Accumulated amortisation and impairment | **(65,815)** | - |
| **Total Intangibles** | **27,500** | - |

### 13 Trade and Other Payables

| | 2020 $ | 2019 $ |
|---|---|---|
| Current | | |
| Trade payables | **-** | 27,000 |
| Sundry payables and accrued expenses | **14,915** | 9,392 |
| Provision for tax | **3,775** | 3,574 |
| Other payables | **28,855** | - |
| | **47,545** | 39,966 |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 14 Borrowings

#### (a) Borrowings liquidity

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 borrowing. All of its deposits and borrowings constitute secured debentures which are lodged for fixed terms. The debenture stock is secured by first ranking floating charge in favour of Melbourne Securities Corporation Limited over the whole of the assets and undertakings of the company.

| | 2020 $ | Total $ |
|---|---|---|
| Value of Securities maturing within 12 months | **3,897,892** | 3,897,892 |
| Value of Securities maturing beyond 12 months | **2,237,083** | 2,237,083 |
| **Total** | **6,134,975** | 6,134,975 |

| | 2020 $ | 2019 $ |
|---|---|---|
| CURRENT | | |
| Unsecured liabilities: | | |
| Depositors Loan Account | **6,134,975** | 6,369,862 |
| **Total current borrowings** | **6,134,975** | 6,369,862 |

### 15 Financial Risk Management

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| **Financial assets** | | |
| Held at amortised cost | | |
| Cash and cash equivalents | **2,749,311** | 898,665 |
| Trade and other receivables | **3,094,047** | 5,142,767 |
| **Financial liabilities** | | |
| Financial liabilities at amortised cost | **6,182,519** | 6,409,828 |
| **Total financial liabilities** | **6,182,519** | 6,409,828 |

**Liquidity risk**

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for an 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since Anglesey Secured Investments Ltd has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

The following table details the Company's trade and loan receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise

### 15 Financial Risk Management

be past due or impaired.

The other classes of receivables do not contain impaired assets.

*(i) Interest rate risk*

The Company is exposed to interest rate risk as funds are borrowed at fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| **Fixed rate instruments** | | |
| Borrowings | **6,134,975** | 6,369,862 |
| Redeemable preference shares | **565,000** | 565,000 |
| | **6,699,975** | 6,934,862 |

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2019: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | +1.00% | -1.00% | +1.00% | -1.00% |
| | $ | $ | $ | $ |
| Interest bearing financial assets | **57,109** | **(57,109)** | 51,240 | (51,240) |
| Interest bearing financial liabilities | **(61,349)** | **61,349** | (63,698) | 63,698 |
| **Cashflow sensitivity (net)** | **(4,240)** | **4,240** | (12,458) | 12,458 |

### 16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Anglesey Secured Investments Ltd during the year 2019 ASI paid for the General Managers wages, 2020 the parent company NBFI took responsibility for the employee wages and on costs:

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| Short-term employee benefits | - | 52,882 |

### 17 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Investment property

**Fair value hierarchy**

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 table below shows the assigned level for each asset and liability held at fair value by the company:

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **30 June 2020** | **$** | **$** | **$** | **$** |
| **Recurring fair value measurements** | | | | |
| Investment property | **-** | **-** | **560,558** | **560,558** |

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **30 June 2019** | **$** | **$** | **$** | **$** |
| **Recurring fair value measurements** | | | | |
| Investment property | - | - | 627,359 | 627,359 |

**Level 2 measurements**

No investments in the measurement tier

**Level 3 measurements**

Investment properties valued at market value, last independent valuation October 2015. Property valued by directors 2020.

## 18 Issued Capital

**(a)**

**Issued Capital**

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| Fully paid ordinary shares | **696,000** | 456,000 |
| Fully paid preference shares | **565,000** | 565,000 |
| | **1,261,000** | 1,021,000 |

The company’s key objectives in terms of its capital 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 to 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 2020 the company's equity ratio was 4.67% (2019:4.4%)

## 19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019:None).

## 20 Events Occurring After the Reporting Date

The financial report was authorised for issue on 4 September 2020 by the board of directors.

No matters or circumstances have arisen since the end of the financial 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 financial years.

## 21 Covid-19-19

During the 2019/2020 financial year the industry was directly affected by the required distancing requirements. The organisation has place Covid-19 safe policies in place. It is not felt that this has caused a going concern issue. Management will continue to review the financial position of the organisation to assist in lowering any effect the virus may cause.

### 22 Statutory Information

The registered office and principal place of business of the company is:

Anglesey Secured Investments Ltd
Level 24 Tower 2
101 Grafton Road
Bondi Junction NSW 2022

# Notes to the Financial Statements

## For the Year Ended 30 June 2020

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 25, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

    b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.

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 .................................................................. Director ..................................................................

Dated 4th September 2020

Rosenfeld Kant & Co
Chartered Accountants
ABN: 74 057 092 046

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Bondi Junction NSW 2022

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**Anglesey Secured Investments Ltd**

# Independent Audit Report to the members of Anglesey Secured Investments Ltd

### Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Anglesey Secured Investments Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

### Responsibilities of Directors for the Financial Report

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

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

# Independent Audit Report to the members of Anglesey Secured Investments Ltd

### Auditor's Responsibilities for the Audit of the Financial Report

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

Raul Valois, CA
Partner
Rosenfeld Kant and Co

Bondi Junction

Dated this .............7th............... Day of .........September.........2020