

**PERTH**

Suite 12, 448 Roberts Road  
Subiaco WA 6008

PO Box 1602  
Subiaco WA 6904

Ph (08) 9380 4983  
Fax (08) 9380 4480

**ADELAIDE**

Level 14, 26 Flinders St  
Adelaide SA 5000

GPO Box 2948  
Adelaide SA 5001

Ph (08) 8410 4343  
Fax (08) 8410 4355

**BRISBANE**

Suite 54, 1 Arbour Ave  
Robina QLD 4226

PO Box 5116  
Robina Town Centre QLD 4230

Ph (07) 5578 9311  
Fax (07) 5593 2422



# INVESTOR NEWS

NOVEMBER 2011

## FIXED INTEREST DEBENTURE STOCK

YOU COULD BE EARNING **9.0%**  
P.A. FIXED FOR 3 YEARS

**INVESTOR SERVICE LINE 1800 010 800**

Interest paid Monthly or Reinvested  
Listed on the National Stock Exchange of Australia

Investments only by the application form contained in our Prospectus.

This is not a bank deposit.

**IMPORTANT NOTICE**

This newsletter does not contain investment advice. You should carefully consider the content of our Prospectus and seek advice from your own qualified financial adviser. This newsletter contains general information only and does not take into account your individual objectives, financial situation or needs.



VISIT ANGAS SECURITIES ON THE WEB  
Financial Statements for Full Year FY11 are posted at  
[www.angassecurities.com](http://www.angassecurities.com)

## NO CUT TO INTEREST RATES BY ANGAS SECURITIES

**MELBOURNE CUP 2011. THE RACE THAT STOPS THE NATION DID NOT STOP THE RESERVE BANK OF AUSTRALIA WHICH ANNOUNCED A CUT OF 0.25% TO THE OFFICIAL INTEREST RATES.**

A cut in the RBA interest rate is generally regarded as good news for borrowers and a boost to the national economy as the major banks lower many key lending rates. An interest rate cut is generally not good news for investors but that is not the case with debenture investors at Angas Securities. The board has resolved to hold fixed interest at 8% per annum for minimum investments of \$10,000 fixed for one year (and 8.25% in the case of premium investors who roll their debentures for another one year term) as well as 9% per annum on debenture investments fixed for a three year term.

The decision by Angas Securities to not follow the banks in cutting interest rates has not been taken for some perceived philanthropic reason. It is a calculated business decision. Angas Securities specializes in fixed interest. It raises debenture funds and invests these funds on a back to back basis on fixed terms. Angas Securities knows the market in which it invests. It is not sensitive to short term rate movements. From time to time, Angas Securities needs to modify its retail interest rates for new investments but the last change was made nearly two years ago in January 2010. The performance of Angas Securities in providing consistent returns to investors has driven the steady growth of the business.



PICTURED: KATE DERMODY, JEFFREY HILL, LYN CLARE, SIMON DOBIE & LAURA CAINE.

EARN

**9.0%** P.A. FIXED  
FOR 3 YEARS

ANGAS SECURITIES LIMITED  
ACN 091 942 728  
AFS LIC NO 232 479

## FINANCIAL STATEMENTS PROVIDE REPORT ON PROFITABLE TRADING

### SETTING INTEREST RATES PAID TO DEBENTURE INVESTORS IS AN IMPORTANT COMPONENT IN THE FINANCIAL MATRIX OF ANGAS SECURITIES.

This is reflected in the Financial Statements for the twelve month period ending 30th June 2011 (FY11). Angas Securities paid \$15,243,608 to debenture investors in FY11 (up from \$11,962,104 for the previous year) whilst delivering a profit of \$1,498,726 for FY11 which is slightly below the average annual profit over the previous three year period. The debenture book has grown, debenture rates of return have been maintained and profit has fluctuated from year to year but has been maintained through the tough trading times of the last three years. Deloitte Touche Tohmatsu has completed its audit of FY11 Financial Statements which are now posted on the Angas Securities website.

Angas Securities was able to fund all expenses and report a solid profit for FY11 due to increased earnings and prudent expense management. Receipts from customers (lending income other than loan interest) was \$5,323,658 (up from \$4,508,804) whereas payments to suppliers and employees were \$7,352,313 (falling from \$8,469,606). Income tax paid in FY11 was \$1,659,233 being up by over \$1,000,000 compared to \$634,516 paid in the previous year. Equity increased from \$8,710,510 to \$9,307,814. The most significant feature of the FY11 trading period was the considerable increase in cash generated through the business of \$18,089,712 resulting in cash and equivalents held at year end of \$30,032,147 (up from the opening balance of \$11,942,435). The Financial Statements signed by the Board have been lodged with the Trustee and with the Australian Securities and Investments Commission.

## FIRST RPS DIVIDEND PAID

### IN APRIL 2011, ANGAS SECURITIES UNDERTOOK A SUCCESSFUL FUND RAISING OF \$6,759,000 BY THE ISSUE OF REDEEMABLE PREFERENCE SHARES SERIES ONE (RPS1).

These are a subordinated security which means that they rank behind the First Ranking Debentures. Angas RPS1 investors receive dividends each half year with the first distribution paid by Angas Securities on 31st October 2011. At the expiration of three years, Angas Securities will set the distribution rate fixed for the next three years. Investors have the option to redeem or roll over for a further three years. Angas Securities can redeem Angas RPS1 at anytime or by 30th April 2020 at the latest. There are no current plans for a similar raising in the foreseeable future but this may change if a suitable opportunity arises.

## UPDATE ON CAPPED TAX DISCOUNT FOR DEBENTURE INTEREST INCOME

### RATHER THAN ACCEPT THE RECOMMENDATIONS OF THE HENRY COMMITTEE FOR PROMOTING NATIONAL SAVINGS TO SUPPORT SELF-FUNDED RETIREMENT, THE 2010 BUDGET OF THE RUDD GOVERNMENT ANNOUNCED THAT INDIVIDUAL TAX PAYERS COULD CLAIM A 50 PERCENT TAX DISCOUNT FOR INTEREST INCOME.

This discount was to be capped and the introduction date was subsequently post-poned. The latest iteration of the Gillard Government is that from 1 July 2012 individuals will be entitled to a tax discount equal to 50 percent on up to \$500 of interest income received. From 1 July 2013, individuals will be entitled to a tax discount equal to 50 percent on up to \$1,000 of interest income received each year. The discount will apply to interest paid on debentures as well as from deposits with a bank, building society or credit union.

On 12 July 2011, the Commonwealth Treasury released a discussion paper on the implementation and scope of the proposed interest discount. The discussion paper was entitled "Improving Incentives for Saving". A range of submissions were lodged with Treasury in response to its invitation for public comments. Participants included financial institutions and professional bodies such as CPA Australia and the Institute of Chartered Accountants. The exposure period was very brief as submissions were required to be lodged with Treasury by 5th August 2011. The Treasury subsequently posted the submissions on its website at [www.treasury.com.au](http://www.treasury.com.au). The outcome of this process is still awaited as at the date of publication.

Angas Securities has previously expressed disappointment with the range and scope of this reform as falling short of its lauded aim of boosting national savings given that self funded superannuation schemes and companies are excluded from the tax discount altogether and given the low level of the cap.



DEBENTURE RATE  
P.A. FIXED FOR 1 YEAR

8.0%

THE FIXED INTEREST SPECIALIST  
INVESTOR SERVICE LINE 1800 010 800

