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OFFERlist Entry

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AUSTRALIAN SECURITIES
 & INVESTMENTS COMMISSION



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Australian Securities and Investments Commission

form 764

Disclosure Document

Corporations Act 2001
 Section 718

THIS OFFER INFORMATION SHEET MUST BE LODGED WITH THE DISCLOSURE DOCUMENT

Issuer/Responsible Entity/Fund Manager

Name BALANCED SECURITIES LIMITED

ACN 083 514 685

- Type**
- prospectus
 - short form prospectus
 - profile statement
 - offer information statement
 - product disclosure statement

Exposure Period(S.727(3))

Is the document subject to an exposure period? Yes No

Managed Investment Schemes

Is the offer made by a Managed Investment Scheme? Yes No

If Yes, provide ARSN and name of each registered scheme

OFFERlist Data

Name of offer Prospectus No. 9

- Types of offer**
- initial offer
 - secondary sale

- Types of securities**
- debentures
 - notes
 - options
 - shares
 - stapled securities
 - units
 - warrants
 - managed investment product
 - other prescribed product
 - other: _____

Minimum amount of offer \$ _____ Not specified

Maximum amount of offer \$ _____ Not specified

Where will the offer document be available?

Level 23, 385 Bourke Street
Melbourne Vic 3000

If document will be available on the Internet, what will be the URL?

www.balancedsecurities.com.au

Phone available after exposure period

03 1300135077

Fax available after exposure period

03 9640 0749

During the exposure period (if any), where will the offer document be available?

Level 23, 385 Bourke Street
Melbourne Vic 3000

If document will be available on the Internet during the exposure period (if any), what will be the URL?

Not applicable

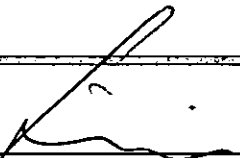
Phone available during exposure period

____ 1300135077

Fax available during exposure period

03 9640 0749

Signature



Name

Neil Mathison

Capacity

Date

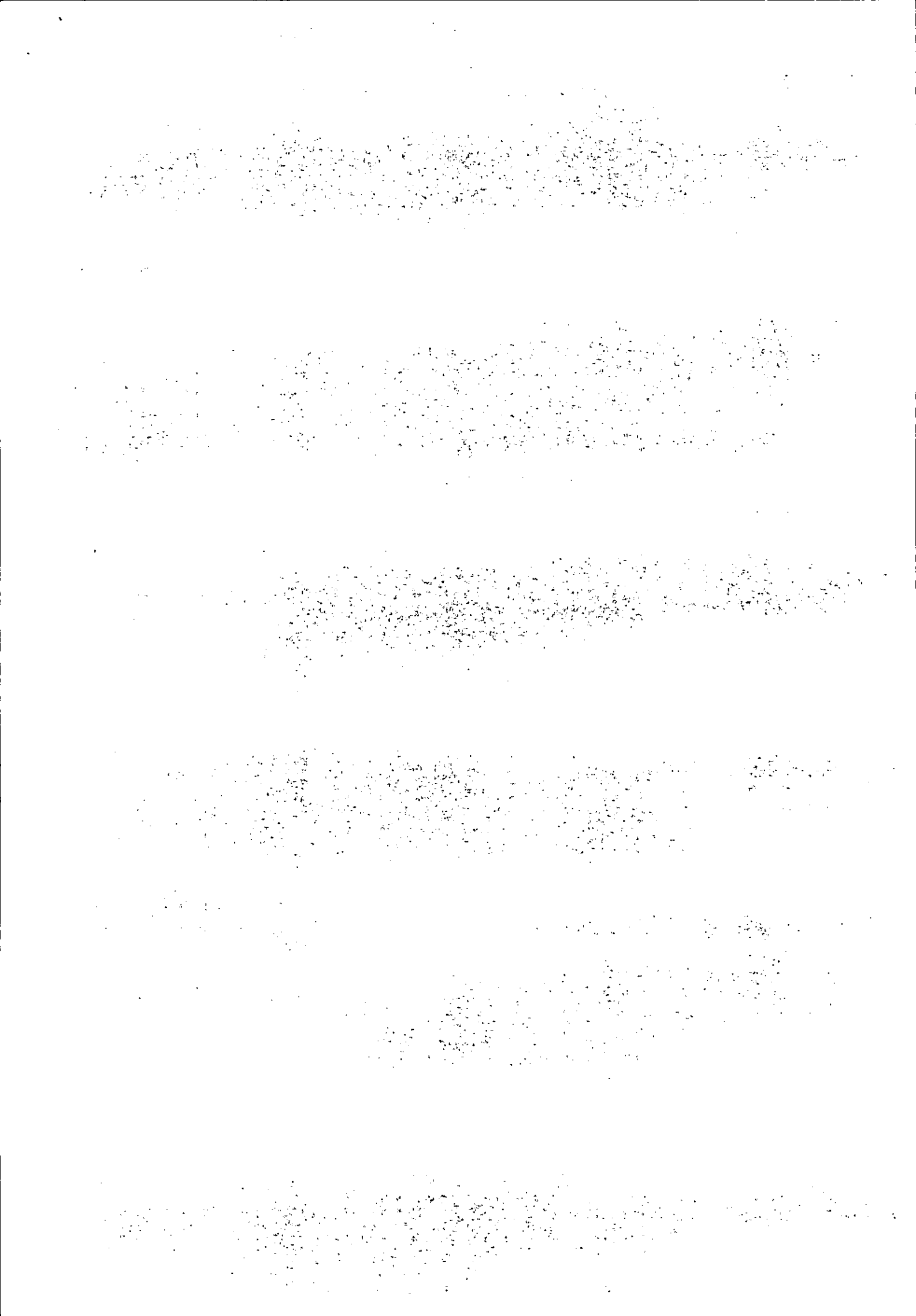
29 / 2 / 2008



Prospectus Number 9 for the Issue of Debentures



BALANCED SECURITIES



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Company Profile

The principal activity of the Company is the acceptance of investor funds and the making of loans secured by first mortgages over real estate.

Australian Executor Trustees Limited (previously Tower Trust Limited) ABN 84 007 869 794 (the Trustee) was appointed Trustee ("Trustee" and/or "independent trustee company") under the Debenture Trust Deed dated 4 January 2000 under which all of the assets of the Company are charged in favour of the Trustee as trustee for the debentureholders.

On 31 January 2006 the Company changed its name from H G & R Finance Limited to Balanced Securities Limited.

Important Notice

This prospectus is issued by Balanced Securities Limited ACN 083 514 685 and is dated ~~21~~ February 2008.

This prospectus was lodged with ASIC on ~~29~~ February 2008. ASIC and its officers take no responsibility as to the contents of this prospectus.

This prospectus is also available in electronic form on the internet at www.balancedsecurities.com.au.

This document is important and should be read in its entirety. If you do not understand its contents you should consult your accountant, lawyer, or other professional adviser.

No debentures may be issued pursuant to this prospectus after its expiry date of ~~25~~ March 2009.

Australian Executor Trustees Limited takes no responsibility for any other part of the prospectus and has not authorised or caused its issue.

Australian Executor Trustees Limited makes no representation or warranty concerning the truth or accuracy of the contents of the prospectus.

Herbert Geer & Rundle Lawyers and David Geer Lawyer act as Lawyers to the Company but have not caused the issue or participated in the preparation of this prospectus and make no representation as to the performance of the issue or the contents of this prospectus other than this statement.

Harwood Andrews Lawyers have acted for the Company on the issue of the prospectus. They have not caused its issue and make no representation as to the performance of the issue.

We are required to inform you that the Company's Debentures may be classified as unsecured notes for the purposes of Section 283BH of the Corporations Act 2001. This classification does not affect the security provided by the charge given over the assets of the Company under the Trust Deed.

The Company is the holder of an AFS Licence No. 241382 which allows the Company to deal in, issue, apply for, acquire, vary or dispose of a single product fixed rate secured investment security and provide general financial product advice. As we have not taken into account the applicants' personal investment objectives, financial situation or particular needs applicants should consider the appropriateness of the investment having regard to their objectives, financial situation and needs. The Company recommends that you get professional advice from (as necessary), a licenced financial adviser and/or tax adviser to determine your individual investment objectives before making an investment decision. The Prospectus is not a statement of advice.

Managing Director's Letter

Dear Investor

On behalf of the board of directors it is my pleasure to present the Company's ninth prospectus inviting you to subscribe to Balanced Securities Limited debentures.

Over the past twelve months the Company has consolidated its steady growth since commencing operations in January 2000 with debentures on issue now exceeding \$110 million.

The Company continued to maintain a strong profit performance, achieving after tax profit in excess of \$10 million in the twelve months to 30 June 2007, which is continuing in the current financial year.

With subscribed capital and retained earnings now exceeding \$70 million (refer Financial Reports on page 36 for composition of net assets and also page 28 for an explanation of the Company's capital composition and structure), the Company has a strong capital base from which to offer its securities in addition to the following attributes:

- > A pool of carefully selected first mortgages over real estate assets valued by independent valuers on the Company's instructions offering a diversity of securities Australia-wide.
- > The debentures are secured by a debenture charge to the Trustee over all the Company's mortgages and assets.
- > Your funds produce a fixed high yield for the full term of the debenture.
- > Depth of management experience in the property mortgage field with directors and senior executives taking an active role in the approval and management process.

The change of name to Balanced Securities Limited has received wide market acceptance and continues to be recognized as reflecting the key components of the Directors' business philosophy of maintaining "balance" whether applied to property type, property location, investment return or investment terms, these being critical to the successful operation of the Company.

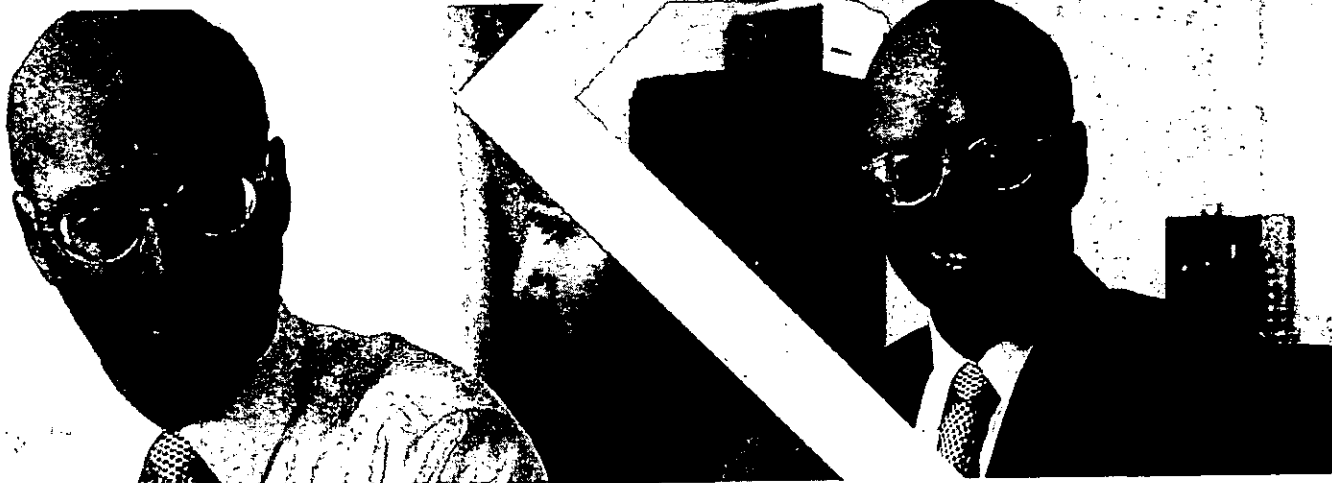
The Directors are conscious of the importance the regulatory authority, the Australian Securities & Investments Commission places on disclosure and risk management and to assist your investment decision. Benchmark Disclosures are outlined on pages 4 to 11 identifying eight key areas of potential investment risk and how the Company, the Board and management address and mitigate these issues.

I again commend to you this prospectus and the investment that it offers.



David Geer
Managing Director

David Geer
Managing Director



ASIC Benchmarks for Unlisted Debentures

Introduction

On 31 October 2007 ASIC issued Regulatory Guide 69 "Debentures – Improving disclosures for retail investors" which sets out 8 Benchmarks formulated by ASIC to assist investors understand the risks and assess the rewards being offered and whether the investment is suitable for them. It states that issuers of debentures should disclose whether they comply with those Benchmarks and if they do not they should explain why that is.

In this prospectus references to paragraphs in Regulatory Guide 69 are shown as eg. RG69.35

The Company is an issuer of unlisted debentures and the table below identifies those Benchmarks and whether the Company satisfies each of them.

Benchmark Disclosures	Compliance with Benchmark
1. Equity Capital	Yes
2. Liquidity	Yes
3. Rollovers	Yes
4. Credit Ratings	No
5. Loan Portfolio	Yes
6. Related Party Transactions	Yes
7. Valuations	No
8. LVR and Lending Principles	Yes

This section of the Prospectus addresses each of those benchmarks with a statement as to whether the Company meets the benchmark or if it does not then an explanation is provided as to how the Company deals with the benchmark by identifying the management processes in place to satisfy and mitigate against any operational, financial, credit or business risk the Company may experience and so help you assess the risk-reward prospects for the Debentures.

Benchmark 1

Equity Capital Status: Satisfied

RG69.35 requires debenture issuers maintain a minimum of 8% equity or where more than a minor part (10%) of the debenture issuers business relates to lending directly to property development then the debenture issuer is required to maintain a minimum equity capital ratio of 20%.

The Company engages in both construction loan and non-construction loan activity with the proportion and level of exposure to the construction loan sector as at 31 December 2007 being 34% (viz., \$61,114,315) of the mortgage loan portfolio of \$180,277,321 (for further details refer to the Summary Schedule of the Loan Portfolio and to the Mortgage and Debenture Portfolio Mix on pages 32 and 33 as prepared from the Company's own records).

As at 30 June 2007 the Company's equity was \$71,171,760 of which paid-up capital and retained earnings represented \$41,171,760 (for further details refer to page 34 to 36 for audited Financial Reports and also page 28 for an explanation of the Company's capital composition and structure). This can be expressed as a financial ratio by dividing the sum of the paid-up capital and retained earnings by the total debt plus the paid-up capital and retained earnings of the Company. As at 30 June 2007 the ratio as a percentage was 26%.

Benchmark 2

Liquidity

Status: Satisfied

Managing Cash Flow Forecasts

RG69.38 requires the Company to maintain cashflow estimates for the ensuing 3 month period(s) and so ensure that the Company has cash and cash equivalents sufficient to meet projected cash flow needs over each ensuing 3 month period.

The Company under its AFS Licence no. 241382 and as set out in Policy Statement 166.25 (c) is required to maintain and comply with the Table 2, Option 1 test for establishing a Reasonable Estimate Projection plus Cash Contingency Test.

This test requires the Company to produce 3 monthly cashflow projections and hold cash or cash equivalents based on the amount equal to 20% of the cash outflow for the projected 3 month period(s). The Company complies with this requirement and as at 30 June 2007 the cash or cash equivalents held by the Company totaled \$ 39,821,018 (for further details refer page 34–36 for audited Financial Reports). As at 31 December 2007 the cash or cash equivalents held by the Company totaled \$19,457,208 (for further details refer to the Summary Schedule of the Loan Portfolio and to the Mortgage and Debenture Portfolio Mix on pages 32 and 33 as prepared from the Company's own records).

The Company has a policy and procedure in place to estimate cash flow projections taking into consideration estimated rollovers of maturing debentures, payment of loan installments or loan repayments and cash outflows from operational activities. In determining the level of cashflow required during the forecast period the cashflow forecast process is subject to a series of estimates and judgments. Reference is made to the probability of non rollover of debenture maturities, the risk and maturity profile of the mortgage loan portfolio, as well as managements' reasonable expectation of future cash flow requirements based on expected business and operational trends and the forecast economic and legislative environment, these being obtained both externally and from within the Company.

To compliment and support the estimation process the Company has management systems in place which permit the monitoring and review of historic cash flow performance as well as the seasonality and trends over time associated with the movements in the debenture and loan portfolios including the issue of debentures and the drawdown of mortgage loan funds. This trend analysis evidences a high degree of stability in rollovers of the debenture portfolio and in the turnover in the loan portfolio. The estimated retention rate for debenture rollovers approximates 95% of the debenture portfolio. This level of stability permits the Company to estimate its future cashflow requirements with a reasonable degree of confidence.

The Company's Portfolio Management Policy reflects a position of funding short term first mortgage loans with a mix of short, medium and longer term investment funds supported by retained earnings and paid up capital (for further details refer Financial Services and Risk Management on pages 24 to 31 together with the current Mortgage and Debenture Portfolio Mix on pages 32 and 33).

The Company has policies and procedures in place to monitor its liquidity position on a daily basis and reviews the forecasted cashflow needs on a quarterly basis and on other intervening occasions reviews and applies stress testing on forecast liquidity requirements in anticipation of likely changes to the business, economic and legislative environment in which the Company operates.

This policy and procedure provides that Directors review each 3 monthly cashflow projection prepared in compliance with AFS Licence which is then recorded in a Board Minute of the Company. This procedure is subject to review as part of the annual and half yearly independent external audit program.

Benchmark 3

Rollovers

Status: Satisfied

RG69.45 requires the Company to disclose its portfolio policy in respect to rollover of the Company's Debenture investments including whether the "default" is that Debenture investments are automatically rolled-over.

The Company's policy is that approximately 30 days prior to the maturity date of the investment the Company will advise the Debenture holder in writing of the current interest rates applicable for the new terms upon which funds may be reinvested for a further period. That notice will also direct them to the Company website where the current Prospectus will be available and advise those that do not have access to the website that they may request a hard copy of the Prospectus, free of charge, by contacting the Company.

If written instructions are not received for a renewal of a Debenture by the Company, the Debenture shall, upon maturity, be re-invested for the same term at the current rate of interest payable at the time applicable to that term.

The Company has maintained the same policy and procedure with regard to rollovers since December 1999.

Benchmark 4

Credit Risk

Status: Not Satisfied

RG69.49 considers all issuers should have their debentures rated for credit risk by a recognised credit rating agency.

The Company has in place established credit risk management policies and procedures (refer Lending Restrictions and Policy page 18) to mitigate the risk of non-payment of principal or interest on first mortgage loans advanced by the Company. The principal mitigating factors are summarized as follows:

- > Maximum loan to value ratios not exceeding 67%.
- > Initial advances for terms not greater than 3 years.
- > Independent valuations of security property not more than 6 months old at date of advance.
- > Loans approved at director and executive management level within approved discretions.
- > Independent Expert monitoring of drawdowns under construction loan advance.

- > Potential for settlement risk on construction loans mitigated by incorporating where appropriate pre-sales of finished product at price levels supported by independent valuations.
- > Conduct of monthly reviews of the Company's loan portfolio credit risk profile by directors and executive management.

To further mitigate the credit risk associated with the mortgage loan portfolio the Company has in place established interest rate risk and portfolio management policies and procedures which include:

- > All loans advanced are interest only at variable interest rates which allow for upward interest rate movements only with interest rates set according to the assessed credit risk of the Borrower.
- > The Company's Portfolio Management Policy and procedures reflects a position of primarily funding short term first mortgage loans with a mix of short, medium and longer term investment funds supported by retained earnings and paid up capital. The Company's Portfolio Management Policy and procedures provides for active risk apportionment through diversity of first mortgage loans by both industry classification and geographic region.
- > To further enhance the credit risk profile of the Company's mortgage loan portfolio and to mitigate risk of non-payment of interest, the Company has in place an Interest Risk Management Underwriting arrangement in place which undertakes to pay any and all outstanding interest payments at or in excess of 90 days and which may be outstanding and due for payment at each financial balance date (June and December). For full details refer benchmark 5 below, the Company's Financial Position and its Non-Accrual Loans and Doubtful debt Policy on page 28 and the Interest Arrears Policy and Interest Risk Management Underwriting arrangement on page 29.

At this stage the Company continues to consider the options available to it in relation to obtaining an external credit rating and while the current debenture issue is not rated for credit risk the Company and its Directors believe that at this time having satisfied 6 of the 8 benchmarks (refer Introduction Summary Table above) and given the appropriate management processes in place, these being consistent with the Company's established business, credit and operational risk management processes and practices then as such they mitigate against the need to obtain an external credit risk rating at this time.

Since commencement of trading as a public company on 24 December 1999 the Company has never defaulted on a payment of principal and interest on the debenture securities (past performance is not an indication of future performance).

Benchmark 5

Loan Portfolio

Status: Satisfied

RG69.58 requires the Company to disclose the current nature of its loan portfolio in respect to on-lending the Company's debenture investment funds.

For the purposes of RG69.58(a) refer to the summary of the loan portfolio table below and the Mortgage and Debenture Portfolio Mix on pages 32 and 33 for details of the number and value of the loan portfolio.

For the purposes of RG69.58(b) refer to the summary of the loan portfolio table below and the Mortgage and Debenture Portfolio Mix on pages 32 and 33 for details of the number and value of the loan portfolio by class of activity and geographic region.

For the purposes of RG69.58(c) as at 31 December 2007 the Company is satisfied that by virtue of the Interest Payment Underwriting Agreement in place that there were no loans with interest arrears in excess of 90 days (refer Benchmark 5 page 8 and for full details of the interest arrears policy refer to the Interest Arrears and Interest Risk Management Underwriting arrangement on page 29 as well as the Company's Liquidity Policy at Benchmark 2 above).

For the purposes of RG69.58(d) as at 31 December 2007 the Company had 52 first mortgage loans totaling \$180,277,321 (Sourced from the Company's own records – for further details refer to the Summary Schedule of the Loan Portfolio and to the Mortgage and Debenture Portfolio Mix on pages 32 and 33). The Company has also made a loan to a senior employee which is referred to under Benchmark 6. That loan has not been made out of debenture holder funds. That loan is not included in the summary of the loan portfolio set out below or in the Mortgage and Debenture Portfolio Mix on pages 32 and 33.

A summary of the loan portfolio as at 31 December 2007:

Loan Numbers	Loan Amount Advanced	Class of Loan	Location by Region	First Mortgage Security
1	9,702,224	Commercial	QLD	100%
2	2,090,512	Commercial	VIC	100%
8	18,176,715	Commercial	WA	100%
1	2,136,115	Industrial	VIC	100%
1	3,620,890	Industrial	WA	100%
8	46,575,681	Residential	NSW	100%
6	26,656,129	Residential	QLD	100%
1	6,558,223	Residential	SA	100%
5	7,809,910	Residential	VIC	100%
7	26,720,075	Residential	WA	100%
5	14,117,028	Rural	NSW	100%
2	8,926,963	Rural	SA	100%
1	3,430,472	Rural	TAS	100%
4	3,756,384	Rural	WA	100%
Total	52	180,277,321		100%

All loans are secured by first registered mortgages over real estate assets.

It is the Company's policy that all Rural loans will be limited to a maximum Loan to Value Ratio of 60% and all other loans will be limited to a maximum Loan to Value ratio of 67%.

For the purposes of RG69.58(c) as at 31 December 2007 the Company is satisfied that by virtue of the Interest Payment Underwriting Agreement in place that there were no loans with interest arrears in excess of 90 days.

Under the Interest Payment Underwriting Agreement an amount of \$5,305,000 was received by the Company prior to 31 December 2007. This represented the amount of interest fully underwritten and acquired by the corporate entities associated with the Directors on 21 loans in the over 90 day interest payment category. These 21 loans totaling \$63,612,000 represented 40% of the total number of first mortgage loans outstanding and 35% by first mortgage loan value.

The Company considers that having regard to the assessment of realisable value of the underlying security (the average Loan to Value Ratio being 59% compared to the Loan to Value Ratio for the total first mortgage loan portfolio of 60% - for further details refer to the Summary Schedule of the Loan Portfolio and to the Mortgage and Debenture Portfolio Mix on pages 32 and 33 as prepared from the Company's own records) the principal outstanding should be fully recoverable.

All loans are secured by first registered mortgages over real estate assets. It is the Company's policy that all Rural loans will be limited to a maximum Loan to Value Ratio of 60% and all other loans will be limited to a maximum Loan to Value ratio of 67%.

It is the Company policy to review on a minimum monthly basis the interest arrears on the loan portfolio to assess the acceptability of the credit risk and report the results to the Trustee on a monthly basis.

As required by RG69.58(e) a summary of the loan monies lent to the largest borrower and 10 largest borrowers as at 31 December 2007:

The largest loan \$16,724,743, represents 9% of total loan monies.

The top 10 loans \$86,862,891 represents 48% of total loan monies.

RG69.59 requires the Company to disclose lending covenants which may apply in respect to the maximum amount of loans which can be advanced. The Trust Deed under which the Company operates provides a maximum single loan lending covenant whereby the maximum single loan amount will not exceed:

- > the greater of \$7.5 million or 25% of debentures on issue where the debentures on issue do not exceed \$50 million; and
- > where the debentures on issue exceed \$50 million, the lesser of \$25 million or 15% of the debentures on issue.

The debenture funds raised are invested in a pool of carefully selected mortgages secured 100% by first mortgages over real estate.

The Trust Deed under which the Company operates secures these first mortgages and all of the Company's other assets for the benefit of the debenture holders by way of a first ranking debenture charge in favour of the Trustee.

Benchmark 6

Related Party Transactions
Status: Satisfied

RG69.68 requires the Company to disclose certain details in relation to any loans to related parties and the Company's policy in relation to loans to related parties.

Under the Company's Lending Restrictions and Policy the Company makes no loans to Directors or Shareholders or other related parties of the Company. The only exception to this is one loan which has been made to a senior employee of the Company in connection with that employee acquiring shares in the Company. The loan represents less than 1% of the Company's loan book and is not secured by a mortgage of real estate. That loan has not been made out of debenture holder funds.

Benchmark 7

Valuations

Status: Not Satisfied

RG69.71 and 69.72 requires the Company to disclose its policy in respect to management of the valuation process and specifies what approach should be taken to valuations.

Full details of the Company's Lending Restrictions and Policy incorporating the Company's approach to the valuation process is outlined on page 18.

The Company's policy in relation to valuation of real estate to be used as security for loans incorporates the following:

- > For the purposes of RG69.71 (a) the Company's Valuation Policy requires that all new loans be subject to a valuation of the security property the date of which is to be not more than 6 months old at the date of the advance with the following instructions to apply:

For non-construction real estate lending requires the security property to be valued on an "as is" basis, and

where the purpose of the loan is for property development and/or construction the security property is valued on an "as if complete" basis.

- > For the purposes of RG69.71 (b) the Company's Valuation Policy requires that all new loans be subject to a valuation of the security property the date of which is to be not more than 6 months old at the date of the advance.

The Company's Policy, in relation to ongoing management and risk mitigation of construction loan facilities is that where appropriate, the Company will instruct an independent expert prior to the commencement of drawdown of the construction loan to check and confirm the cost to complete the construction project. Thereafter, on an ongoing basis until the construction loan project is complete the independent expert will provide advice at each drawdown as to the status of the construction project and whether it is within the cost and time parameters established for each project.

The Company satisfies these aspects of Benchmark 7

- > RG69.71(c) states that debenture issuers should establish a panel of valuers and ensure that no one valuer does more than one third of the issuer's valuation work. The Company's Valuation Policy requires that valuations be obtained from a panel of professional valuers who are registered or licenced in the relevant State or Territory and who subscribe to the relevant industry code of conduct and who hold membership with a professional body together with appropriate professional indemnity insurance.

In every case the Company appoints suitably qualified independent valuers on the basis of experience with particular categories of property.

Instructions to the valuer are comprehensive and specific to the property type and incorporate the particular valuation criteria required for all categories of property.

The Company does not have a policy of applying a restriction on the level of work one valuer will undertake as the Company considers this would be restrictive and could jeopardize the quality of valuation obtained. In this regard the Company does not satisfy this aspect of Benchmark 7. As identified the Company's Policy in relation to valuations is to obtain the best valuation available in a particular geographic area and for particular property types and categories.

- > RG69.71 (d) states that the appointment of valuers should be with the Trustees consent.

The Company complies with this requirement. The Trustee has consented to the appointment of the valuers currently on the panel. The Company will seek the Trustee's consent to the appointment of new valuers to that panel on a quarterly basis.

RG69.72 (b) requires the Company to disclose certain information about the valuation where a loan secured by a property accounts for 5% or more of the total value of the Company's Loan Portfolio.

These are first mortgage loans secured by properties which account for 5% or more of the Company's loan portfolio as at 31 December 2007:

Loan Numbers	Loan Amount	Property Type	Property Location	LVR
1	13,495,549	Residential	WA	The LVR at the Time of drawdown did not and currently does not exceed 67%
2	9,696,824	Residential	QLD	The LVR at the Time of drawdown did not and currently does not exceed 67%
3	9,093,473	Commercial	QLD	The LVR at the Time of drawdown did not and currently does not exceed 67%
4	16,724,743	Residential	NSW	The LVR at the Time of drawdown did not and currently does not exceed 67%

The Company has not provided any further details as to the valuation of the above properties as it considers that to do so could breach the privacy of the borrowers who industry participants may be able to identify from the above details.

The Company cannot comply with the Benchmark in terms of detailing the "cost" of the properties for comparison purposes. The Company would not necessarily have that information and even if it was aware of the purchase price of a property because it had financed the purchase the Company considers that to disclose such information could breach the privacy of the borrower for the reason referred to above. The "cost" of a property at some point subsequent to its purchase may include many items such as development costs, details of which may not either be available to the Company or appropriate to disclose because of the privacy issue referred to above.

This above information is reviewed monthly by the Directors and Executive Management as part of the risk management function in overseeing the financial control of the Company's funds with this information being incorporated in the monthly loan portfolio report (referred to in Benchmark 5 above) submitted to the Trustee.

Benchmark 8

Lending Principles – Loan to Value ratios

Status: Satisfied

RG69.77 (a) and (b) requires the Company to disclose its policy in respect to maintaining the following loan to valuation ratio:

- > Where the loan relates to property development – 70% on the basis of the latest “as if complete” valuation; and
- > In all other cases – 80% on the basis of the latest market valuation.

As identified in the Company's Lending Restrictions and Policy on page 18 and as identified in Benchmark 7 – Valuations, the Company satisfies the requirements of the lending Principles – loan to valuation ratios Benchmark in that loans do not exceed the above ratios and:

- > non-construction real estate lending requires the security property to be valued on an “as is” basis, and
- > where the purpose of the loan is for property development and/or construction the security property is valued on an “as if complete” basis.

It is the Company's policy that all Rural loans will be limited to a maximum Loan to Value Ratio of 60% and all other loans, including construction loans will be limited to a maximum Loan to Value ratio of 67%.

RG69.78 requires the Company to disclose its policy in respect to funds utilized in relation to property development and construction loans such that the funds are only provided to the borrower in stages based on external evidence of the progress of the development.

As identified in the Company's Lending Restrictions and Policy on page 18 and as identified and incorporated in Benchmark 7 – Valuations, in relation to construction loan facilities:

The Company's Policy, in relation to funding construction loans is that the funds are provided on a staged basis subject to confirmation from a Company instructed independent expert confirming that the construction works have been completed and drawdown amount requested is representative of the construction expenditure.

The Company accordingly complies with Benchmark 8.

Directors and Senior Executives

Directors

David Morton Geer

Managing Director

David Geer retired in 2004 as a senior partner in the law firm Herbert Geer & Rundle after 34 years service to enable him to devote his time to the operations and legal requirements of the Company. David Geer's involvement in the law has primarily been in the business of mortgage lending and funds management. He has also, during that time been an active participant in the mortgage investment and funds management industry. As Managing Director he gives the Company an extensive range of business contacts and opportunities.

Leon Gorr

Director

Leon Gorr is a senior partner in the law firm Herbert Geer & Rundle specialising in corporate and revenue law for the past 25 years. He has advised many clients who have become involved in mortgage lending and has been an active participant in the mortgage investment and management industry for a number of years.

Anthony Henry May

Director

Anthony May is a senior partner in the law firm Herbert Geer & Rundle specialising in taxation law for the past 25 years. He has advised numerous clients and corporations in relation to mortgages, public fund raising and other commercial ventures and has been an active participant in the mortgage investment and management industry for many years.

Senior executives

Trevor Wilson
General Manager

Trevor Wilson has had in excess of 20 years experience in the banking, finance and property industry, 17 years of which were with the Westpac Group where he held senior management positions involving the sourcing, risk analysis and overall management of a multi-million dollar investment and development loan portfolio and senior credit functions. Trevor in conjunction with the Managing Director is responsible for goal setting and the implementation of the strategic direction including credit and risk management policy and procedures as well as setting the direction for overall marketing and product distribution.

David Williams
Compliance Manager

David Williams is a CPA, Associate of the Property Institute, a Member of the Institute of Credit Managers and is the Compliance Officer for the Company. He has had 40 years involvement both domestically and internationally across all operational areas of the banking and finance industry including management of a multi-million dollar property loan portfolio for ANZ Bank for a period in excess of 10 years. David is responsible for managing and monitoring the financial reporting and compliance issues relating to the Company's business operations as well as managing the mortgages advanced by the Company.

David Williams
Compliance Manager



Steve Hodges
Senior Credit Manager

Steve Hodges has had in excess of 20 years experience in the banking and finance industry with Westpac, holding senior positions in the credit approval, credit risk and client portfolio management areas. Steve is responsible for sourcing, settling and managing mortgages advanced by the Company as well as assisting with the coordination of the day to day business operations of the Company.

Angela Palermo
Manager Investor Services & Administration

Angela Palermo was a senior member of the administration team at Herbert Geer & Rundle and for the past 20 years has been involved with the firm's mortgage system, accounting and special projects. Angela is responsible for the mortgage systems and Investor Services.

Judy Smith
Investor Services

Judy Smith was a senior member of the administration team at Herbert Geer & Rundle and is now involved in the Company's Investor Services and is responsible for administration of the investor group and has daily contact with investors phoning the Company's call centre.

Trevor Wilson
General Manager



Summary of Terms of Debenture Issue

Borrowing limitations:

The total face value of all debentures issued by the Company shall not exceed in total \$500,000,000.00

Investment amount:

Investments are to be in multiples of \$1,000 with the minimum investment being \$10,000 although the Company reserves the right to accept applications to invest for an amount less than that minimum.

Interest:

Current interest rates are shown on a rate card issued by the Company from time to time. A copy of the current rate card is available from the office of the Company as shown in the Company directory or by telephoning 1300 135 077 or accessing the Company website at www.balancedsecurities.com.au. Rates are fixed for the term of the debenture.

Payment of interest:

Investors have the following payment alternatives:

Monthly in arrears directly into a specified account with a financial institution nominated on the application form (or by cheque on request); or

On maturity directly into a specified account with a financial institution nominated on the application form (or by cheque on request).

Term of debentures:

Terms ranging between 6 months and 5 years are available and detailed on the appended interest rate card. The debentures may have a slightly shorter or longer term so that maturity coincides with the final monthly interest calculation date. The maturity date will be specified on the debenture certificate.

Entry fees:

There are no entry fees deducted from funds invested.

Exit fees:

There are no exit fees deducted from funds invested for the full term of the debenture.

Early redemption or withdrawal:

Investors may redeem debentures early only in the case of an emergency, in which instance the following fees may apply:

- > a handling fee equal to 1% of the principal redeemed
- > reimbursement to the Company of any bank fees or taxes incurred as a result, and
- > costs and losses incurred or suffered by the Company as a result of the redemption including movements in interest rates or like events since the investment was made.

Fees and charges:

Interest rates quoted are net and therefore free of fees and charges.

Brokerage:

The Company may pay brokerage calculated on the amount subscribed to licensed investment advisors, security dealers and intermediaries on applications lodged by them. No brokerage is payable by the investor.

Frequently asked Questions and Answers

What are the Company Debentures?

The Company Debentures issued under this prospectus are secured by a first ranking debenture charge in favour of the Trustee over all of the Company's assets

The Company will initially invest these funds in short term liquid investments which are held by the Company and not the Trustee and the Company then lends these funds to borrowers secured by first registered mortgages in accordance with the lending policy as specified on page 18 of this prospectus.

It is not the function of the Trustee to approve the lending policy of the Company.

How secure is a debenture investment?

The debenture security is secured by a charge to an independent Trustee Company, who holds a first ranking debenture charge over the mortgages and other assets of the Company including \$31 million paid up capital and retained earnings of approximately \$40 million as at 30 June 2007 (for further details refer to page 34 to 36 for audited Financial Reports and also page 28 for an explanation of the Company's capital composition and structure).

Loans made by the Company are on first mortgage only, and are advanced up to 67% of the value of a property or such lesser percentage as specified on page 18 of this prospectus.

An independent professional valuation is obtained from a qualified valuer on the Company's instruction to ensure that an accurate value of the mortgaged property is provided.

Mortgage payments are strictly monitored so that in the event of a delay in payment, appropriate steps can be implemented for their recovery.

The Company's accounts are regularly audited by a national accounting firm.

The Directors and Senior Executives have a wealth of experience in the mortgage lending industry and are actively involved in the day to day loan approval process.

When will I receive interest payments?

Interest payments can be received on maturity or monthly when interest is calculated at the end of day on the 15th of each month and is payable within seven days thereafter. Payment can be made either by cheque or by electronically transferring the payment directly to your specified bank account.

How long do I need to commit myself to a debenture security?

Debenture securities must be treated as a fixed term investment. Debenture securities can be for a relatively short term and are generally for periods from one to three years.

Can I access my investment before it matures?

In the case of an emergency it is usually possible to recover your investment before its maturity date. In these instances, a handling fee equal to 1% of the principal redeemed may apply together with reimbursement to the Company for any bank fees or taxes incurred as a result and costs and losses incurred or suffered by the Company as a result of the redemption including movements in interest rates or like events since the investment was made.

What are the investment risks?

The investment risks include legislative, business, economic, political and social risks. These issues and the management of the attendant risks are detailed and addressed on pages 24 to 27 under the segment heading of Financial Services and Risk Management.

Can I roll over my debenture when it matures?

Approximately 30 days prior to the maturity date of your investment we will advise you of the current interest rates applicable for new terms. If you wish to change the term or withdraw all or part of your investment you should advise us in writing at least 7 days prior to the maturity date.

If you do nothing we will automatically roll over your debenture investment for the same term as previously held at the applicable interest rate.

What are the advantages of the Company debenture?

Interest will commence from the date of acceptance of your investment eliminating the waiting period prior to a first mortgage investment becoming available.

With first mortgage investments there was usually a "down time" between when a mortgage was repaid and funds were placed in an at call account pending re-investment in a new mortgage. This "down time" has now been eliminated for investors.

Regular fixed monthly interest payments which can be deposited directly into your bank account.

There are no entry, account or collection fees and all interest rates quoted are the net return. The Company will also absorb all its government bank charges such as bank accounts Debits Tax (if applicable).

A pool of mortgages offering you a diversity of security properties rather than a single mortgage securing your investment.

The Company and its investments are regulated by the Australian Securities and Investments Commission and audited by a national accounting firm.

As a New Investor am I required to provide identification?

Under the provisions of the Anti-Money Laundering and Counter Terrorism Act 2006 the Company is under a legal obligation to request provision of reliable documentary information which is capable of independent verification to confirm identity.

How do I invest in the Company debenture?

After reading the contents of this prospectus, complete the attached application form and return it together with your cheque in the enclosed reply paid envelope.

Steve Hodges
Senior Credit Manager



Lending Restrictions and Policy

Under the terms of the Trust Deed the following maximum loan to valuation ratios (LVR) apply to loans made by the Company:

Residential	80%
Retail	80%
Commercial	80%
Industrial	80%
Rural	67%
Construction & Development	67%

(of the end value of the development with sufficient funds being retained to complete the project.)

Notwithstanding the above limits set by the Trust Deed, for the term of this prospectus, all rural loans will be limited to a maximum LVR of 60% and all other loans will be limited to a maximum LVR of 67%.

The Trust deed also provides that at the date of approval of the loan advance made by the Company, the maximum single loan amount will not exceed:

- > the greater of \$7.5 million or 25% of debentures on issue where the debentures on issue do not exceed \$50 million; and
- > where the debentures on issue exceed \$50 million, the lesser of \$25 million or 15% of the debentures on issue.

In addition to the above, to manage and control the level of risk, the documented current lending policy of the Company includes the following:

- > All loans are approved at Director level or at Executive Management level within approved discretion.
- > Loan applications are assessed on the borrower's financial capability to meet repayment requirements, together with the adequacy of the security offered. Where appropriate the Company may carry out credit checks or other independent enquiries in respect of loan applicants or guarantors. As well as taking into account the foregoing, the Directors and Executive Management of the Company also exercise their skill, experience and judgement in making the final assessment of the Borrower.
- > All loans require a valuation of the security property not more than six months old at the date of advance from a suitably qualified valuer instructed by the Company. In every case the Company appoints a qualified independent valuer on the basis of experience with particular categories of property holding membership with a professional body together with appropriate professional indemnity insurance. Instructions

by the Company to a valuer are specific to the property type and require particular valuation criteria to be met for all property categories. Detailed instructions are employed in every case.

- > In relation to construction loan facilities, where appropriate, settlement risk is often ameliorated by requiring pre-sales of the finished product at price levels which support the valuation obtained and help determine the assessed credit risk and exposure levels.
- > The Company, where appropriate, will instruct a quantity surveyor to check and confirm that the cost to complete the construction project is within the cost and time parameters established for each project. Where appropriate the quantity surveyor will also verify that the quality of the construction works are generally in line with the building plans and overall specifications and that they generally comply with the building codes and the approvals granted by regulatory bodies.
- > Through strict management of the retention payments process the Company ensures that it always remains in a position to finance the completion of the construction works in the event of financial failure of the borrower.
- > All mortgage loans advanced are interest only established at variable interest rates (allowing for upward rate movements only) with rates set according to the assessed risk of the Borrower.
- > Mortgage loans are initially advanced for terms not exceeding 3 years.
- > Lending rates are not reduced during the term of the loan.
- > The Company makes no loans to Directors of the Company.
- > The Company's internal procedures include minimum monthly monitoring of default by any borrower in repayment of principal and interest.
- > The Directors regularly review the loan portfolio to determine if there is a requirement for the creation of specific doubtful debt provisions. As at 30 June 2007 it was determined there was no requirement to specifically provide for bad or doubtful debts (refer Impairment of Assets on page 28 and 30 for the treatment of provisions for doubtful debts).
- > The Company has a long history of successful management of both construction and non-construction finance loans.

Details of the Issue

Extent of issue

Within the Trust Deed borrowing limitation there is no minimum amount to be raised.

Applications and issue

Application for investment in debentures must be made on the application form accompanying this prospectus. Additional prospectus with application forms are available upon request.

The Company will issue debentures as applications are received and will issue a debenture certificate for each application within 14 days after receiving it.

The Company reserves the right at any time during the offer period not to accept any application that has been received. Application amounts are to be in whole multiples of \$1,000 with the minimum amount being \$10,000.

Transfer of debentures

Debentures may be transferred without the Company's consent but to be effective such transfers must be recorded and registered with the Company. These transfers may be for all or part of the debentures held by the investor.

Payment of interest

Where the investor has elected to receive monthly interest, interest will be calculated monthly at the end of day on the 15th of each month and paid to the investor within 7 days thereafter. Interest is calculated on a monthly basis at the applicable rate and will accrue from the date of acceptance of the application by the Company.

Where the investor has elected to receive interest on maturity the interest will be paid on repayment of the principal sum invested. Interest is not compounded during the term of the debenture.

The Company reserves the right during the currency of this prospectus to increase or decrease all or any of the rates of interest or to vary the term of debentures on offer. Any such change will apply to subsequent debentures only and will not affect those already issued.

Where the Company receives an application form selecting an interest rate or repayment term that is not current, the Company will either:

1. Refund of the application money to the applicant; or
2. Notify the applicant of the alternatives available, and upon receipt of written instructions or a new application form issue debentures at the current interest rate and/or term.

Repayment of debentures on maturity

Approximately one month prior to a repayment date, the Company will notify each investor of the forthcoming debenture maturity. The Company will repay each investor the amount of each debenture within 30 days after the repayment date for the debenture, if requested within a period of not less than 7 days prior to that repayment date. Otherwise, the invested amount will be rolled over for an equivalent repayment term but at the interest rate applicable for that term at the expired repayment date.

Early redemption of debentures by the Company

The Company may redeem at any time prior to maturity some or all of the debentures on issue upon giving at least 30 days prior notice in writing of its intention to do so to the investors whose debentures are to be redeemed. Redemption will involve repayment of principal together with interest up to the date of redemption.

Angela Palermo

Manager Investor Services and Administration



Withdrawal before maturity

The Company will consider requests by investors who through unforeseen and exceptional circumstances wish to withdraw part or the whole of an investment prior to the maturity date. Such early repayment will be at the discretion of the Company.

If the Company agrees to an investor's request, the Company may deduct from the amount payable to the investor a handling fee of 1% of the principal redeemed and the costs and losses incurred or suffered by the Company as a result of the redemption including movements in interest rates or like events since the investment was made.

Security and risk assessment

The financial position of the Company at the date of this prospectus is set out in the financial report on page 36. As at 30 June 2007, the Company had \$31 million in paid up ordinary share capital and retained profits of \$40,171,760 (refer Financial Reports on page 36 for composition of assets and also page 28 for an explanation of the Company's capital composition and structure).

The Company has charged all of its assets in favour of the Trustee to secure the punctual repayment of all money due to investors.

The charge is a first ranking security. There are no securities or other liabilities ranking in priority to or equally with this charge.

The primary assets of the Company covered by the charge are the mortgages held by the Company for loans made and various forms of short term liquid investments.

The funds received on the issue of debentures by the Company will be invested in one or more authorised investments, which are as follows:

1. Registered mortgages over freehold and leasehold land and buildings in Australia.
2. Deposits or investments in one or more of the following:
 - > a bank;
 - > a common fund or a cash common fund within the meaning of the Trustee Companies Act 1984 (Victoria);
 - > securities issued or guaranteed by a Commonwealth, State or Territory Government;
 - > investment with any dealer in the short term money market, approved by the Reserve Bank of Australia as an authorised dealer, that has established lines of credit with that bank as a lender of last resort;
 - > commercial bills of exchange issued by any corporation approved by the Trustee or endorsed or accepted by an Australian trading bank;
 - > debentures and promissory notes of any corporation approved by the Trustee.

3. an investment in real estate provided that the total real estate investments of the Company must not exceed 10% of the amount of debentures on issue at any time.
4. an investment in a mortgage over land where such mortgage is managed by a responsible entity of a managed investment scheme registered under chapter 5C of the Corporations Act provided that the mortgage does not exceed the loan to valuation ratio specified on page 18 of this prospectus.
5. a contributory mortgage arranged by a solicitor or firm of solicitors in accordance with any rules that apply to such a contributory mortgage provided that the mortgage does not exceed the loan to valuation ratio specified on page 18 of this prospectus.
6. an investment together with any other person or company by way of loan on the security of a mortgage of real property on the basis that the Company jointly with such other person or company will be mortgagee of such property as a tenant in common of such mortgage and provided that the Company has in the first place agreed with such other person or company that in the event of default by the borrower any one of such mortgagees may exercise the power of sale conferred by the mortgage on behalf of all such mortgagees provided that the mortgage does not exceed the loan to valuation ratio specified on page 18 of this prospectus.
7. any other investment which may be made by a trustee under the Trustee Act 1958 (Victoria).

The risk associated with investment in the issue of debentures as to loss of capital or interest depends on the financial performance of the Company. This will be affected by factors including the composition of the Company's mortgage portfolio and fluctuations in market interest rates. Interest rates in turn are influenced by external factors such as general economic conditions and government policy (Refer Risk Management as specified on pages 24 to 27).

Anti-Money Laundering and Counter Terrorism Act 2006

On 12 December 2006 the Anti-Money Laundering and Counter-Terrorism Act 2006 (AML/CTF Act) came into force with the Australian Transaction Reports and Analysis Centre (AUSTRAC) being the regulatory authority responsible for supervision, monitoring and enforcement of the AML/CTF Act.

Under the AML/CTF Act the Company is required to be registered with AUSTRAC as a Designated Provider of Financial Services for the purposes of accepting new investor funds. This places a legal obligation on the Company to request and collect from new investors, reliable documentary information capable of independent verification confirming investor identity.

The Company has arrangements in place to ensure it complies with the legal obligations and requirements provided for in the AML/CTF Act.

Stock Exchange listing

The debentures offered by this prospectus will not be listed on any stock exchange.

Trust Deed Information

Trustee Role

The role of the Trustee is governed by the Corporations Act and the Transaction Documents to which it is a party.

Other than as required by the Corporations Act or as expressly provided in the Transaction Documents to which it is a party, the Trustee:

- > is not required to take any action or exercise any right, power or discretion in connection with any Transaction Document or the Company or any other related matter, fact or circumstance;
- > is not in any way involved in the day to day running, management or decision making process of the Company; and
- > has no duty, obligation or liability to the Investors or the Company.

Trust deed

The Trust Deed between the Company and the Trustee is dated 4 January 2000. A copy of the Trust Deed is available for inspection at the Company's offices. The following information in this part of the prospectus is summarised from the Trust Deed.

Issue of debentures

The Company may determine the conditions of issue for any debentures from time to time and may change those conditions at any time for future applications; these conditions may include the term of the debenture, the interest rate, interest payment date and the minimum investment.

The Company only recognises the debenture-holder whose details are recorded in the Company's register as the owner of the debenture. Debentureholders may inspect and receive a copy of the register of debentureholders as required by the Corporations Law.

Trustee's remuneration

The Trustee is entitled to receive an annual fee as agreed from time to time with the Company. The Company will pay this remuneration half-yearly in arrears.

The Company must also pay to the Trustee all costs and expenses incurred by the Trustee in connection with the Trustee carrying out its duties or powers under the Trust Deed including in connection with a breach of the Trust Deed by the Company and in connection with the convening and holding of any meeting of debentureholders.

Change of Trustee

The Trustee ceases to be the Trustee for debentureholders if it ceases to be qualified to do so under the Corporations Law, or if it is removed by special resolution of debentureholders or it retires by giving not less than 90 days notice to the Company or the Company requires the Trustee to retire by not less than 90 days notice from the Company to the Trustee.

The Company is authorised to appoint a new Trustee and does not require the approval of debentureholders.

Charge

The Company has charged by way of first ranking fixed and floating charge all of its assets in favour of the Trustee as trustee for debentureholders. The charge secures repayment to investors of all money invested by them in debentures under this prospectus together with interest payable on those debentures.

The tangible property that constitutes the security for the charge is sufficient and is reasonably likely to be sufficient to meet the liability for the repayment of all money owing by the Company to the debentureholders and all other liabilities ranking in priority to or equally with that liability that may have been or may be incurred.

Alteration of the trust deed

The Company may amend the Trust Deed with the approval of the Trustee where the amendment:

- > in the opinion of the Trustee is made to correct a manifest error or is of a formal, technical or administrative nature only, or is required to comply with the Corporations Law or any other statute;
- > may be required by or as a consequence of any amendment to the Corporations Law or any other statute and in the opinion of the Trustee is not prejudicial to the interests of the debentureholders;
- > is first approved by a resolution passed at a meeting convened to consider the amendment by debentureholders holding debentures with an aggregate face value of at least 75% of the aggregate face value of the debentures held by the debentureholders present at the meeting; or
- > applies only in respect of debentures to be issued after the amendment is made and the amendment does not materially prejudice the rights of existing debentureholders.

Privacy and Confidentiality

Privacy Policy

The national privacy principles in the Privacy Amendment (Private Sector) Act 2000 came into force as from 21 December 2001 to regulate how private sector organisations should collect, use, keep and disclose personal information. The Company is subject to and will ensure compliance with these principles.

Personal Information

The Company is committed to protecting the privacy and security of personal information obtained from individual investors. The nature of the personal information collected and maintained generally comprises (but is not limited to) your names, addresses, contact details, bank account details and tax file numbers.

Information Collection

The Company collects personal information about you from your application form for the purpose of establishing and administering your investment with us.

Where the Company has obligations pursuant to legislation, regulatory bodies authorised by law and financial service industry regulatory codes and schemes to collect personal information we may request and obtain such information regarding the identity and financial circumstances of individual investors.

Disclosure of Personal Information

In the provision of products and services to the individual investor, the personal information gathered may only be disclosed to your representatives or other companies or agents used by the Company if express or inferred consent has been obtained...

In some other circumstances, however, personal information (or parts of it) may be disclosed to government agencies who may lawfully request information from time to time but only where required by law to do so.

Access to and Updating of Personal Information

You have the right to seek access to information that the Company holds about you subject to certain exceptions as provided by law. You also have the right to ask the Company to correct information about you which is inaccurate, incomplete or out of date. Please contact our Privacy Officer on 1300 135 077 if you wish to update your information or have any questions regarding the Company's Privacy Policy.

Financial Services and Risk Management

Financial Services Reform Act 2001

This Act commenced 11 March 2002. The Act made significant changes to existing regulatory requirements for the financial services industry including introduction of new licensing and disclosure requirements. The Company has complied with the requirements of the Act and holds a licence to deal in, issue, apply for, acquire, vary or dispose of a single product fixed rate secured investment security and provide general product advice but not legal, tax or personal financial advice. Dealers Licence No. 241382.

Business Risk Management

The Company has established and put in place a fully operational risk management system plan that is generally consistent with the Australian Standard for Compliance Programs – AS 4360-1999 and meets the requirements of its AFS Licence application. The Company has appointed a Compliance Officer, who reports to the Board on a regular basis, to manage and maintain the risk management system. This process provides a structured and systematic approach to ensure strategies are in place to meet the Company's obligations under the Corporations Act, its AFS Licence, as well as all other core risks including financial, human resource, technology, internal and external business and economic risks which impact on the Company's operations.

The risk management system plan is reviewed by the Board who meet on a regular basis to examine and/or identify sources of risk and confirm the strategies put in place to mitigate those risks. The action arising from these regular reviews flows directly to the implementation of policy and the making of procedural adjustments within the Company's operations and supports its commitment to a policy of maintaining continuous improvement.

Investment Risk

Investors should be aware that an investment in the Company involves various risks that may be categorised into particular business risks and general investment risks. To fully understand the risks associated with an investment in the Company you should read this prospectus in its entirety and determine whether this investment is suited to your own financial circumstances and accords with your own investment objectives. It is also recommended that you should seek your own independent financial advice prior to making your investment decisions.

Capital Risk

Investment in the Company's Debentures is not capital guaranteed. During the life of an investment the value of the security property supporting the loans secured by mortgages over real estate may alter in response to various factors outside the Company's control. Such factors may include economic cycles, property market conditions, government policy, inflation rates and general business confidence. In the event of a default it is possible that as a result of these factors the realizable value of the security property may be less than the sum required to satisfy the loan amount and the capitalized interest and costs, in which case investors' capital may be diminished.

The Capital Risk is managed by applying conservative lending guidelines and loan selection, assessment and property valuation criteria (Refer Lending Restrictions and Policy page 18 and average Loan to Value Ratio (as at 31 December 2007 for the loan portfolio of 60% – refer page 32), the pooling of mortgages spread across geographic and a number of property sectors (refer page 32 and 33) to obtain the benefit of diversification together with efficient management systems and regular mortgage loan and valuation reviews, the potential for a loan default to incur a capital loss is mitigated.

Other investments of the Company include cash at bank.

The risk that other investments may not be fully realisable is mitigated by allocating the cash holdings to a deposit account with its banker a major Australian Trading Bank.

The Directors and Executive Management actively monitor all mortgage loans on a minimum monthly basis for adequacy of provisioning for bad and doubtful debts and the incidence of arrears in loan principal and interest payments. Where loans are identified as being in arrears prompt action is taken by directors and executive management to bring mortgage loans into order or to exercise recovery proceedings to obtain repayment (including the assessment of the supporting property valuation).

In managing the mortgage loan portfolio the directors and executive management, ensure that the Company is named as having an interest as mortgagee in all insurance policies (except where the policy is in the name of the governing body corporate). Adequacy of policy cover while the loan is in place and proof of continuance of the policy is monitored on a regular monthly basis. In the event that a borrower fails to renew a policy of insurance the Company may effect renewal of the policy on the borrower's behalf to ensure continuity of insurance and protection of the security property.

As at 30 June 2007 the Company's impairment testing regime determined there was no requirement to raise a specific provision for bad and doubtful debts. The Company considers with liquidity (Cash holdings of \$39,821,018 as at 30 June 2007 refer page 36) and the level of Total Equity (Total Equity of \$71,171,760 as at 30 June 2007 refer page 36 for audited Financial Reports and also page 28 for an explanation of the Company's capital composition and structure) and with the interest arrears risk management undertaking in place there would be minimal adverse affects on the Company's business operations and cash flows arising from a capital loss due to a loan default (Refer Non-Accrual Loans and Doubtful Debts on page 28 and International Accounting Standards on page 30 for future treatment of provisions for bad and doubtful debts).

Changes in Interest Rates

Interest rate risk is the risk that interest rate movements can have on returns and the repayment of principal. Rising interest rates will leave investors exposed to lower returns (depending on their selected investment term) and rising interest rates may impair a borrower's ability to meet repayments of principal and interest which could in turn impact on the Company's ability to meet its obligations. The Company mitigates this risk by:

1. Maintaining a pool of mortgages whose average lending rates are comfortably in excess of the investment borrowing rates.
2. Issuing short and long dated Debentures for periods of 12 months through to 5 years while lending to Borrowers on predominantly shorter terms of 6-12 months (Refer Mortgage and Debentures Maturity Schedule page 33).
3. Maintaining a variable interest rate regime and incorporating an interest rate floor in respect of all mortgage loan facilities such that, a change in interest rates will not adversely impact on the Company's lending margins.
4. Adopting conservative lending policies and loan to value ratios to provide for the potential risk of interest rate rises creating the potential for Borrowers' to default (Refer Lending Restrictions and Policy page 18 and for the average loan to value ratio for the loan portfolio of 60% refer to page 32).

Tom May
Director



Property Development Funding

The risk associated with funding property development projects include that where interest is capitalised over the term of the loan facility then the flow back of cash from the project is only received when the development project is completed.

This risk is mitigated by virtue of the securities issued by the Company being invested in a diversified pool of first mortgages over real estate (Refer Mortgage and Debenture Portfolio Mix on page 32 and 33) at a Loan to Value Ratio not exceeding 67% and by the Company requiring, where appropriate, a predetermined level of pre-sales of the finished product at price levels which support the valuation obtained and which support and confirm the assessed credit risk and exposure levels (Refer Lending Restrictions and Policy on page 18). The foregoing, when combined with the strict management of the retention payments process by the Company ensures that it always remains in a position to finance the completion of the development project in the event of financial failure of the Borrower (Refer Lending restrictions and Policy on page 18).

Further, the Company maintains significant cash balances to enable it to mitigate and manage this risk (refer audited Financial reports on page 36 where Cash Assets were \$39,821,018 as at 30 June 2007).

Key Management Resources

A strength of the Company is the skill, experience and qualifications of the Managing Director and executive management team to manage the Company's operations.

The risk of executive absence and succession planning are mitigated by the Managing Director, Directors and executive management team having complementary skills and necessary experience to ensure continuity in managing the Company's business operations in the event of a director or executive being absent.

General Investment Risks**Economic, Political and Social Risks**

In the course of managing its loan portfolio, the Company will be exposed to the direct and indirect consequences of political, economic or social changes in the investment arena. As such, investment performance may be affected by general economic conditions, changes to government policy in relation to taxes, exchange rates, legislative changes, land tax, income tax, the direction for particular industries and other market factors. While these factors may generally be beyond the control of the Company, the Company continually monitors the state of the economic environment with a view to endeavoring to minimise the affect of such changes on the Company's overall loan portfolio and performance.

Overall, the Company operates an active risk management program which maintains continuous review of all identified risks and provides regular reporting to Directors giving them the capability of measuring the risk tolerance levels and determining the acceptability or otherwise of such risks in the ongoing management of the Company's operations.

Complaints Procedure

The Company accepts the importance of ensuring the Investors and consumers have a right to comment or complain and equally recognises the benefits to be derived therefrom through delivery of an improved quality of product and service.

To assist this process the Company has in place a set of internal dispute resolution procedures that are generally consistent with the Australian Standard for Compliance Programs – AS 3806-1998 and meet the requirements of its AFS Licence.

If the response is not satisfactory, the complainant may refer the matter to the Company's external dispute resolution scheme to obtain assistance. This external body has been established as an objective body to hear unresolved complaints and contact can be made directly by reference to the Financial Industry Complaints Service Limited at P.O. Box 579, Collins Street West, Melbourne Vic 8007. The Company is a registered member of this service.

Compliance Arrangements

The Company has appointed a Compliance Officer, reporting to the Board, to oversee and supervise compliance arrangements and ensure that procedures are in place which are generally consistent with the Australian Standard for Compliance Programs – AS 3806-1998 and meet the requirements of its AFS Licence. The compliance arrangements in place provide a structured and systematic process whereby the Company is able to comply with all its regulatory obligations under the Corporations Act, its AFS Licence, and also provides investors with the confidence that the procedures and practices in place ensure that the Company's services are provided in a fair, honest and efficient manner to protect their interests.

Financial Sector (Collection of Data) Act 2001

On 1 July 2002 the responsibility of registering, categorizing and data collection for Financial Corporations changed from the Reserve Bank of Australia to the Australian Prudential Regulation Authority ("APRA"). This does not mean that the Company is supervised by APRA or that deposits will have right of priority of repayment conferred upon depositors by Section 13A of the Banking Act.

Your investment is a First Ranking Secured Debenture regulated by:

- > the provisions of the Corporations Act 2001 as supervised by the Australian Securities and Investment Commission ("ASIC"), and
- > the terms of the Trust Deed lodged with ASIC on 4 January 2000.

Corporations Act Requirements

Company's financial position

The Company was established on 26 August 1998 for the purpose of raising money for investment in mortgage loans. All expenses relating to the establishment of the Company, the Trust Deed and the first prospectus have been absorbed by a related entity without any liability or obligation on the Company for reimbursement. As at 30 June 2007 the Company has a total paid up ordinary share capital of \$31,000,000 which comprises 1,000,000 ordinary shares issue at inception and 30,000,000 A class shares issued during the period 1 July 2004 to 31 December 2004 to H G & R Management Pty Ltd in consideration of the transfer by way of rollover to the Company of the assets used by the Company in its business under licence since inception. There are retained profits of \$40,171,760 as at 30 June 2007.

The Company advises that no dividends have been declared in the period commencing 1 July 2006 through to 31 December 2007.

A summary of the Company's financial position and performance is included (Refer Statement of Financial Position page 36) together with the independent Audit Report for 30 June 2007 financial year. A copy of this financial statement is available on request.

The Company also prepares interim financial statements as at 31 December 2007. This financial statement will be available following lodgment with ASIC.

In assessing the future performance of the Company past performance is not indicative of future performance.

Non-Accrual Loans and Doubtful Debts

Repayment Arrangements

Principal repayments of loans advanced by the Company are made at times agreed between the Company with Borrowers.

Doubtful Debt Policy

The financial circumstances of borrowers may change from time to time as may the value of the underlying security. There is a risk of borrowers defaulting on loans advanced by the Company or non-realisation of the assessed realisable value of the security properties. This could result in a loss of principal loan amount to the Company.

As a prudent measure mortgage loans are recognized at their recoverable amounts, after assessing required provisions for impairment. Impairment of a mortgage loan is recognized when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the mortgage loan agreement. Impairment is assessed by specific identification in relation to individual loans and by estimation of expected losses in relation to loan portfolios where specific identification is impracticable.

Bad debts are written off when identified. If a provision for impairment has been recognized in relation to a loan, write-offs for bad debts are made against the provision. If no provision for impairment has previously been recognized, write off for bad debts are recognized as expenses in the income statement.

In determining the level of general provision to be applied in any period the economic loss evaluation process is subject to a series of estimates and judgements. Reference is made to the probability of default, overall risk profile of the loan portfolio, economic conditions, historical experience, level/quality of collateral held, industry best practice and credit risk management policies. (Refer Impairment of Assets on page 30 and International Accounting Standards on page 30 for treatment of provisions for bad and doubtful debts).

Vanessa Gray
Documentation and Security Officer



Interest Arrears Risk Management Underwriting Arrangements

Corporate entities associated with the Directors have agreed to provide an interest payment underwriting service to the Company undertaking to pay any and all outstanding interest payments for loans with interest arrears at or in excess of 90 days and which may be outstanding and due for payment at each financial balance date (June and December). This enhancement to the security of the Debentures also provides that entities associated with the Directors have the right to pay any and all current interest arrears that may be outstanding and due for payment at each financial balance date (June and December). This arrangement, which creates an obligation to pay all interest arrears at or in excess of 90 days and provides the right to pay any current interest arrears payments is formalised by way of an underwriting agreement between the Company and the entities associated with the Directors.

The extent of underwriting commitment provides for interest cover for amounts up to \$7,500,000 per year. Obligations and exposure undertaken as at 30 June each year as described below have been sourced from the Company's records.

These arrangements have been in place and honoured since the Company's inception.

The interest amount paid by the underwriter for the financial years ended 30 June 2001, 2002, 2003, 2004, 2005, 2006 and 2007 was respectively \$1,144,000, \$2,501,000, \$2,453,000, \$2,649,000, \$4,806,000, \$5,271,000 and \$5,240,000.

As at 31 December 2007 there were 21 loans totaling \$63,612,000 where interest was in arrears for periods in excess of 90 days resulting in the amount of current interest arrears which have been fully underwritten and acquired by the corporate entities associated with the Directors being \$5,305,000. The Company is therefore satisfied that as at 31 December 2007 it has no loans with interest in arrears in excess of 90 days and that having regards to the assessment of the realizable value of the underlying security and the level of loan provisioning then the principal outstanding on all the mortgage loan facilities should be fully recoverable.

The trustee has not sighted or otherwise been involved in negotiating or reviewing the underwriting agreement. The enforcement of the provisions of the underwriting agreement is a matter solely between the Company and the entities associated with the Directors providing the underwriting commitment.

Interest shortfall paid by the underwriter represents interest charged but unrecovered on mortgage loans advanced by the Company but which has been paid and indemnified by the corporate entities associated with the Directors such that the Company received the non-default rate of return on its mortgage loan portfolio and accordingly, has not suffered an operational or financial loss on any loan for any financial reporting period.

The Interest Arrears Risk Management Underwriting Agreement provides that the corporate entities associated with the Directors are entitled to receive a premium for this service but only upon the successful recovery and payment of the outstanding interest amounts by the borrower to the Company.

These premiums are established at normal commercial rates for transactions of this nature and in line with arrangements payable to external providers of similar risk underwriting services.

Non-accrual loan risk mitigation

The Company is satisfied that by virtue of the Interest Payment Underwriting Agreement in place then as at 31 December 2007 there weren't any loans with interest in arrears in excess of 90 days. The Company considers that having regard to the assessment of the realisable value of the underlying security and the level of loan provisioning the principal outstanding on the mortgage loan facilities should be fully recoverable.

International Accounting Standards

The Company's financial reporting complies with the International Financial Reporting Standards (AIFRS) in their entirety and has been reflected in the company's financial statements for the year ending 30 June 2007. The disclosure requirements for Financial Instruments under AASB 132 have been replaced by AASB 7. These amendments only involve changes to the financial instrument disclosures within the financial report and therefore there will be no direct impact on amounts included in present or future financial reporting. The adoption date for reporting under AASB 7 by the Company is as from 1 July 2007.

Goodwill

Goodwill is carried at cost. At each reporting date the Company reviews the carrying values of its goodwill to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable value is expensed to the income statement. The Company performs impairment testing annually for goodwill with an indefinite life.

The Company performed impairment testing as at 1 July 2007 and confirmed no impairment of the \$30,000,000 goodwill as disclosed in the Company's financial statements at 30 June 2007.

Impairment of Assets

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets that generates cash flows that are largely independent of the cash inflows from other assets or group of assets. The current policy is to determine the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognised more often.

The Company's impairment testing policy requires that as from 1 July 2005, all assets be tested for impairment on an annual basis as at 1 July each year.

Interests and payments

No director of the Company or any of the other persons specified in section 711(4) of the Corporations Act has at the date of issue of this prospectus or had within the previous 2 years any interest in the promotion of the Company or in property proposed to be acquired by the Company in connection with its formation or promotion except as follows:

1. The following directors either directly or indirectly have an interest in the following number of ordinary shares in the Company:

D M Geer	one million (1,000,000) shares
L Gorr	one million (1,000,000) shares
A H May	one million (1,000,000) shares

and in the following number of A class shares in the Company:

D M Geer	thirty million (30,000,000) shares
L Gorr	thirty million (30,000,000) shares
A H May	thirty million (30,000,000) shares

2. During the period 1 July 2006 to 31 December 2007 no dividends were declared by the Directors.
3. Each of the Directors is entitled to be paid director's fees by the Company at ordinary commercial rates.

4. Each of the Directors Leon Gorr and Anthony Henry May are partners in the legal firm Herbert Geer and Rundle with Director David Morton Geer being a sole practitioner in the legal firm David Geer Lawyer. These firms:

- > will act as lawyers to the Company and will be entitled to legal fees for doing so;
- > will receive legal fees paid by mortgagors for the preparation of security documents in relation to loans made by the Company;
- > may charge the Company for the provision of office space and facilities at ordinary commercial rates.

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

- > to any director or proposed director to induce them to become or to qualify as a director of the Company;
- > to any director or other person referred to in section 711 (4) of the Corporations Act for services provided by them in connection with the formation or promotion of the Company or this offer of securities except as follows:
 - > to Hall Chadwick, \$34,900 for auditing and financial services associated with the preparation of the financial report presented and contained in this prospectus.
 - > To Harwood Andrews Lawyers, \$7,000 for legal services in relation to the preparation of this prospectus.

Consents

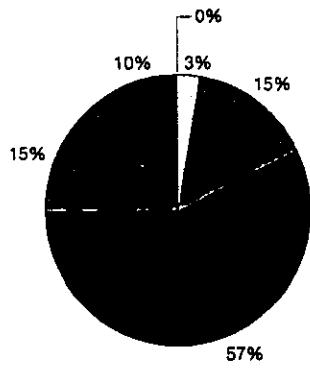
The Trustee and the Lawyers named in this prospectus have consented to being so named and have not withdrawn such consent. Hall Chadwick have given and have not, before the lodgement of this prospectus, withdrawn their written consent to the issue of this prospectus with their report in the form and context in which it appears.

Mortgage and Debenture Portfolio Mix

As at 31 December 2007, the Company from its own records prepared the following information which represents the diversity of Mortgages by Industry Classification including Liquidity, and by Geographic Region as well as showing Term to Maturity for both Mortgages and Debentures.

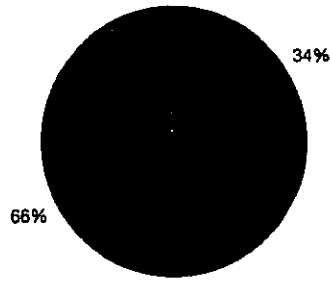
Analysis of Portfolio as at 31 December 2007			Analysis of Portfolio as at 31 December 2007		
Type	%	\$	Portfolio Location	%	\$
Retail	0%	-	NSW	30%	60,692,710
Industrial	3%	5,757,005	QLD	18%	36,358,353
Commercial	15%	29,969,451	VIC	6%	12,036,537
Residential	57%	114,320,019	WA	26%	52,274,063
Rural	15%	30,230,846	SA	8%	15,485,186
Cash	10%	19,457,208	TAS	2%	3,430,472
Total	100%	199,734,529	LIQUIDITY	10%	19,457,208
			NT	0%	-
			Total	100%	199,734,529
Construction Vs Non-Construction			Mortgage Maturity in Months		
Construction	34%	61,114,315	0 to 6	67%	120,289,300
Non Construction	66%	119,163,006	7 to 12	31%	55,793,725
Total	100%	180,277,321	13 to 24	0%	884,258
			25+	2%	3,310,038
			Total	100%	180,277,321
Construction Type			Average Loan Size and LVR		
Retail	0%	-	Average Loan size	2%	3,466,872
Industrial	0%	-	Average Loan to Valuation Ratio	60%	
Commercial	16%	9,702,224			
Residential	84%	51,412,091			
Rural	0%	-			
Total	100%	61,114,315			
			Debenture Maturity in Months		
Construction Location			0 to 6	36%	44,426,827
NSW	4%	2,486,154	7 to 12	45%	55,729,272
QLD	59%	36,358,353	13 to 24	14%	17,339,022
VIC	5%	3,049,825	25+	5%	6,808,351
WA	31%	19,219,982	Total	100%	124,303,472
SA	0%	-			
TAS	0%	-			
NT	0%	-			
Total	100%	61,114,315			

Mortgage Type



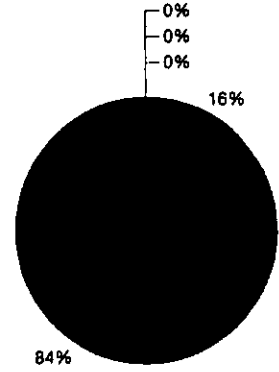
- Retail
- Residential
- ▨ Industrial
- Rural
- ▩ Commercial
- Cash

Construction Vs Non-Construction



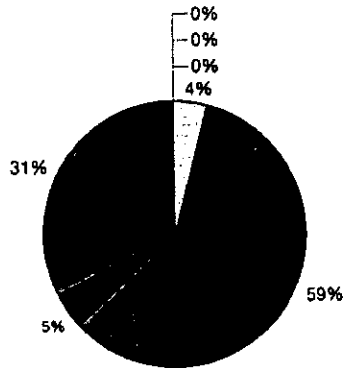
- Construction
- Non-Construction

Construction Type



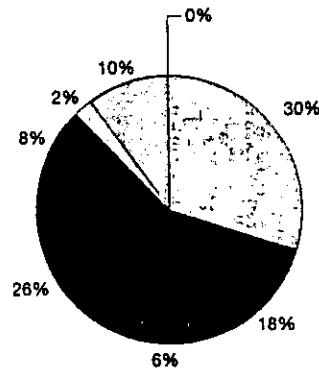
- Retail
- Resident
- ▨ Industrial
- Rural
- Commercial

Construction Location



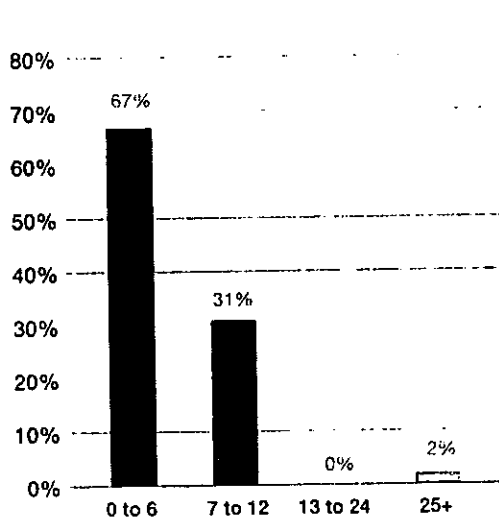
- NSW
- QLD
- VIC
- WA
- SA
- TAS
- NT

Portfolio Location

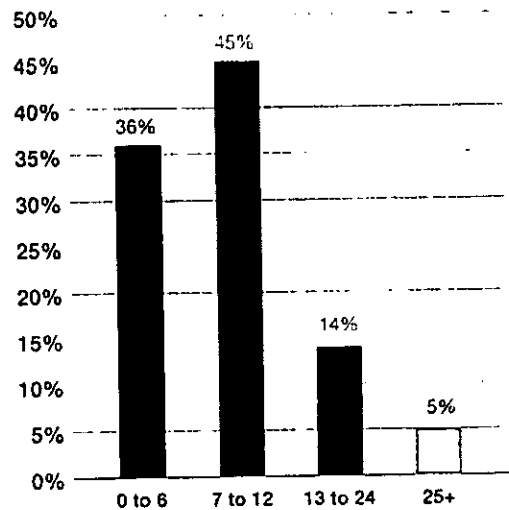


- ▨ NSW
- QLD
- VIC
- WA
- SA
- ▨ TAS
- LIQUIDITY
- NT

Mortgage Maturity in Months



Debenture Maturity in Months



Auditors Report

Independent Audit to the members
of Balanced Securities Limited

 **Hall Chadwick**
Chartered Accountants & Business Advisers

Report on the Financial Report

We have audited the accompanying financial report of Balanced Securities Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report of Balanced Securities Limited complies with all International Financial Reporting Standards (IFRS) in their entirety.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

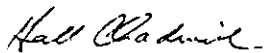
Independence

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

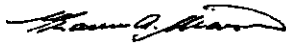
Auditor's Opinion

In our opinion:

- a. the financial report of Balanced Securities Limited 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 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



HALL CHADWICK Melbourne
Chartered Accountants 28 August 2007



GRAEME MARRIOTT
Partner

Financial Reports

Statement of financial position

Period Ending	30 June 2007	30 June 2006
	\$	\$
Current Assets		
Cash Assets	39,821,018	26,544,269
Mortgage Receivables	116,513,258	104,418,977
Total Current Assets	156,334,276	130,963,246
Non-Current Assets		
Mortgage Receivables	3,335,168	15,972,713
Office equipment	-	5,461
Deferred Tax Assets	31,007	40,085
Goodwill	30,000,000	30,000,000
Total Non-Current Assets	33,366,175	46,018,259
Total Assets	189,700,451	176,981,505
Current Liabilities		
Payables	125,518	261,731
Interest bearing liabilities	79,426,029	73,727,929
Debenture interest accrued	1,395,529	1,283,217
Mortgage interest in advance	2,465,958	2,950,774
Provision for Employees	44,858	44,858
Tax liabilities	375,748	271,038
Total Current Liabilities	83,833,640	78,539,547
Non-Current Liabilities		
Interest bearing liabilities	33,969,409	37,283,398
Debenture interest accrued	667,145	402,526
Provision for Employees	58,497	88,759
Total Non-Current Liabilities	34,695,051	37,774,683
Total Liabilities	118,528,691	116,314,230
Net Assets	71,171,760	60,667,275
Equity		
Contributed equity	31,000,000	31,000,000
Retained profits	40,171,760	29,667,275
Total Equity	71,171,760	60,667,275

Statement of financial performance

Profit from ordinary activities before income tax expense	15,008,103	10,835,068
Income tax expenses relating to ordinary activities	(4,503,618)	(3,251,612)
Net profit from ordinary activities after income tax expense	10,504,485	7,583,456

Past performance is not an indication of future performance.

Statement of Directors

The directors are of the opinion that the Company will be in a position to meet all principal and interest payments on debentures issued under this prospectus as they fall due and that the Company will trade successfully in the coming year.

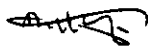
Signed by or on behalf of the directors of the Company each of whom have consented to the issue of this prospectus.



David Morton Geer



Leon Gorr



Anthony Henry May

Leon Gorr
Director



Completing your Application Form

To complete your application

Please use BLACK or BLUE pen;

Please use CAPITAL LETTERS and mark your option with an X;

Please ensure you list your full name, or in the case of companies the full company name plus ACN;

If you are investing in the name of a trust please ensure the investment is in the name of the trustee by listing the trustee's details in the investor details section.

You should refer to the table below for the correct registrable name format to be used when completing the Application Form.

Term

Please nominate a term for your debentures in section 4 of the application form. The available terms are specified on the rate card.

Interest rates

The interest rates payable on debentures are set out on the Company's current interest rate card. Please insert the relevant rate in section 4 of the application form.

Interest payment

Please specify your banking details for payment into your nominated account and elect one of the two distribution methods either:

- > Monthly distributions; or
- > Payment on maturity.

Tax file number

You are not required to provide your tax file number ("TFN"), but if you do not, or no exemption details are supplied, the Company is required to withhold tax from income distributions at the highest marginal tax rate plus the Medicare levy.

You can choose not to quote your TFN or claim an exemption; this is not an offence. The Company is authorised to collect TFN's under tax law. For more information about TFN's, please contact your nearest tax office.

Your cheque

Make your cheque for your investment payable to "Balanced Securities Limited", cross it "Not Negotiable" and attach it to your application form.

Where to send your completed application forms

By Post: Balanced Securities Limited
Reply Paid 4348
MELBOURNE VIC 3001

By Hand: Balanced Securities Limited
Level 23, 385 Bourke Street
MELBOURNE VIC 3000

Applications and cheques received will be processed by the next business day after receipt.

Need assistance?

If you have any questions or queries in completing your application form please do not hesitate to contact the company on 1300 135 077 between 9.00am and 5.00 pm (Melbourne time), Monday to Friday.

TYPE OF INVESTOR	CORRECT FORM	INCORRECT FORM
Individual Provide all given names in full, do not use initials	Mr Eric Paul Clipton	E P Clipton
Company Provide the full company name and do not use abbreviations	Watson Pty Limited	Watson P/L
Trusts Use personal name(s) of the trustee(s) or company name, do not use the name of the trust	Mr Harvey Wentworth Wentworth Pty Ltd	The Wentworth Family Trust
Superannuation Funds Use the name of the trustee and also provide the name of the superannuation fund	Wallis Superannuation Pty Ltd ATF The Wallis Superannuation Pty Ltd Superannuation Fund	Wallis Superannuation Pty Ltd (super a/c)
Partnerships Use personal names. Do not use name of partnership	Mr Sam Jones and Mr Trevor Jones < Jones & Jones A/C >	Jones & Jones
Minor (person under the age of 18) Provide the name of the responsible adult	Mr James Peter Haven	Miss Betty Haven
Deceased Estates Use the executors personal name, do not use the name of the deceased	Mrs Jean Hobson < Estate Janice Hobson A/C >	Estate of Janice Hobson
Clubs/Unincorporated Bodies Business Names Use Office Bearer(s) personal name(s) Do not use the name of the Club etc	Mr Denis Burton < Capex Golf Club A/C >	Capex Golf Club

Application Form

Debenture Security Investment



BALANCED SECURITIES

No debentures will be issued on the basis of this prospectus after ~~28~~ March 2009

1. APPLICANTS NAME(S):

Surname / Company name

Given names

Investor 1

Title:

Investor 2

Title:

Company Name:

ACN/ABN:

2. CONTACT DETAILS:

Full postal address:

Suburb:

State:

Postcode:

Telephone:

Home:

Work:

Email:

Fax:

3. OCCUPATION:

DATE OF BIRTH:

4. INVESTMENT DETAILS:

Minimum initial investment of \$10,000.00 - Additional investment in multiples of \$1,000.00

Amount:

Term:

(Select from interest rate card)

Rate:

Interest frequency:

(Monthly or maturity)

5. PAYMENT INSTRUCTIONS:

Please establish a direct payment facility for payment of my interest (and principal on maturity):

Account name:

Financial institution:

Branch:

B.S.B. number:

Account number:

Please forward a cheque for payment of my interest (and principal on maturity) to the above address.

IMPORTANT: THIS APPLICATION IS TO BE COMPLETED AND SIGNED ON THE REVERSE

Application Form

Debenture Security Investment



BALANCED SECURITIES

6. TAX FILE NUMBER:

If you do not supply a tax file number or exemption tax will be withheld from your interest at the top marginal rate plus the Medicare Levy.

Investor 1 Name:	Investor 2 Name:
TFN/ABN or exemption:	TFN/ABN or exemption:

7. VERIFICATION OF NEW APPLICANTS IDENTITY

For individual and non-incorporated partnerships and trustees an original or certified copy of a current Australian Passport or Australian Drivers Licence.

For domestic companies an original or certified copy of the certificate of registration including the ACN and ABN and for beneficial owners an original or certified copy of the trust deed

8. DECLARATION AND SIGNATURE:

I / We have read the prospectus dated 26 February 2008 and agree to be bound by the conditions of the offer set out in the prospectus.

I / We agree and understand the terms used in the application have the same meaning as in the Trust Deed.

If signed under power of attorney, I / we declare that I / we have no knowledge of the revocation of that power of attorney.

Investments will only be accepted by cheque made payable to Balanced Securities Limited

The Company is subject to the provisions of the Anti Money Laundering and Counter Terrorism Act 2006 and may need to request new investors provide reliable identification capable of independent verification.

Print name:	Print name:
Signature: (of investor / company representative)	Signature: (of investor)
Date:	Date:

Balanced Securities Limited (ABN 54 083 514 685)
Reply Paid 4348, Melbourne, Victoria 3001 Level 23, 385 Bourke Street, Melbourne, Victoria 3000

9. OFFICE USE ONLY

Client number:	Client number:
Date received:	Processed by:
Investment number:	Certificate number:
Introduced by:	Introduced by:
Identity Verified:	Identity Verified:

Directory

Balanced Securities Limited

ABN 54 083 514 685
Telephone: 1300 135 077
Facsimile: 03 9640 0749
E-mail: contact@balancedsecurities.com.au
Web Page: www.balancedsecurities.com.au



BALANCED SECURITIES

Mail

GPO Box 4348
MELBOURNE VIC 3001

Head Office

Level 23, 385 Bourke Street
MELBOURNE VIC 3000

Trustee

Australian Executor Trustees Limited
ABN 84 007 869 794
Level 22, 207 Kent Street
SYDNEY NSW 2000



**Australian
Executor Trustees**

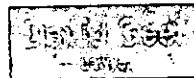
Auditors

Hall Chadwick
Level 12, 459 Collins Street
MELBOURNE VIC 3000

 **Hall Chadwick**
Chartered Accountants & Business Advisers

Lawyers for the Company

David Geer Lawyer
Level 23, 385 Bourke Street
MELBOURNE VIC 3000



Herbert Geer & Rundle Lawyers
Level 21, 385 Bourke Street
MELBOURNE VIC 3000

Herbert | Geer & Rundle Lawyers



Lawyers for the prospectus issue

Harwood Andrews Lawyers
Level 13, 15 William Street
MELBOURNE VIC 3000

**Harwood
Andrews**
LAWYERS



1870

1871

1872

1873