



# **CARMICHAEL RAIL NETWORK TRUST**

ABN: 78 466 438 945

**FINANCIAL REPORT**  
complying with  
**Australian Accounting Standards -**  
**Simplified Disclosures**

**FOR THE YEAR ENDED**  
**31 MARCH 2021**

# **Carmichael Rail Network Trust**

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# **Carmichael Rail Network Trust**

## **Trustee's report**

### **Year ended 31 March 2021**

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The directors of Carmichael Rail Network Pty Ltd ("CRNPL" or "Trustee") as trustee of Carmichael Rail Network Trust ("CRNT" or "Trust") submit their report for the year ended 31 March 2021.

#### **TRUSTEE**

The names of the Trustee's directors in office during the year and up to the date of this report are:

Jeyakumar Janakaraj  
Samir Vora  
Rodney Charles Baxter

#### **CORPORATE INFORMATION**

The registered office of the Trust is located at:  
Level 9, 120 Edward Street  
Brisbane, Queensland, Australia.

#### **PRINCIPAL ACTIVITIES**

The Trust is the proponent of the Carmichael Rail Project (the "Project"). The principal activity of the Trust during the year was construction activities for the rail project.

#### **RESULTS and DISTRIBUTIONS**

The profit after tax for the Trust for the year ended 31 March 2021 was \$113,205,468 (2020 loss: \$74,940,769).

No distribution has been paid or recommended.

#### **REVIEW OF OPERATIONS**

The Trust has been engaged in rail construction activities during the year.

#### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Other than the matters detailed as part of our review of the Trust's operations for the year ended 31 March 2021, there were no significant changes in the state of affairs of the Trust during the current financial year.

#### **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

There have been no other matters or circumstances that have arisen since the end of the financial year, except as stated below, that have significantly affected, or may significantly affect the Trust's operations, the results of those operations or the Trust's state of affairs after the financial year ended 31 March 2021.

The Trust is a party to an arrangement dated 28 April 2021 for an interest-free facility of \$100 million under which certain of its suppliers' invoices are to be paid by a third party (counterparty). The Trust will reimburse the amount paid by the counterparty on or before 31 December 2021.

On 1 May 2021, the Trust entered into a loan agreement with a related party to borrow an amount of US\$200 million. The loan carries interest and has a term of 60 months.

On 1 May 2021, the Trust entered into a further loan with another related party to borrow an amount of US\$200 million. The loan carries interest and has a term of 34 months.

#### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The Trust is currently working on the development of the rail project.

#### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

The Trust's operations are subject to State and Federal Environmental Legislative requirements. There were no material breaches with these requirements during the year ended 31 March 2021 and up to the date of this report.

#### **INDEMNIFICATION AND INSURANCE OF TRUSTEE**

No indemnities have been given or insurance premiums paid during, or since the end of the year for any person who is, or has been an officer of the Trust or Trustee.

# **Carmichael Rail Network Trust**

## **Trustee's report (continued)**

### **Year ended 31 March 2021**

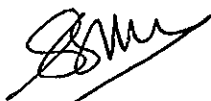
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#### **INDEMNIFICATION OF AUDITORS**

To the extent permitted by law, the Trust has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the year ended 31 March 2021.

Signed in accordance with a resolution of directors of Carmichael Rail Network Pty Ltd as trustee of Carmichael Rail Network Trust.

On behalf of the Board Carmichael Rail Network Pty Ltd



Samir Vora  
Director

Brisbane, 11 June 2021

# Carmichael Rail Network Trust

## Statement of comprehensive income

For the year ended 31 March 2021

		Year ended 31 March 2021	Year ended 31 March 2020
	Notes	\$	\$
Other income	4	263,131	150,857
General and administration expenses	5	(29,708,359)	(20,056,522)
Foreign exchange gain/(loss), net		145,354,203	(46,481,069)
Finance costs		(2,703,507)	(8,554,035)
Profit/(loss) before tax		113,205,468	(74,940,769)
Income tax expense		-	-
Profit/(loss) for the year		113,205,468	(74,940,769)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		113,205,468	(74,940,769)

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

# Carmichael Rail Network Trust

## Statement of financial position

As at 31 March 2021

	Notes	31 March 2021 \$	31 March 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash at bank and on hand	6	11,591,312	997,894
Restricted bank deposits	6	15,764,780	5,460,642
Other receivables	7	34,682,792	26,573,760
<b>Total current assets</b>		<b>62,038,884</b>	<b>33,032,296</b>
<b>Non-current assets</b>			
Due from related parties	8	12,869,848	19,081,129
Investment in associate	9	1,000	-
Capital work in progress	10	1,322,200,155	357,288,901
Intangible asset	11	-	-
Right of use assets	14(a)	39,540,817	58,625,017
Security deposits	12	80,965,130	11,350,000
<b>Total non-current assets</b>		<b>1,455,576,950</b>	<b>446,345,047</b>
<b>Total assets</b>		<b>1,517,615,834</b>	<b>479,377,343</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	109,352,288	72,099,924
Lease liability	14(b)	11,596,027	20,139,463
Non-interest bearing liabilities	15	323,568,281	53,441,296
<b>Total current liabilities</b>		<b>444,516,596</b>	<b>145,680,683</b>
<b>Non-current liabilities</b>			
Lease liability	14(b)	-	11,596,027
Interest-bearing liabilities	16	1,310,290,490	672,497,353
<b>Total non-current liabilities</b>		<b>1,310,290,490</b>	<b>684,093,380</b>
<b>Total liabilities</b>		<b>1,754,807,086</b>	<b>829,774,063</b>
<b>Net liabilities</b>		<b>(237,191,252)</b>	<b>(350,396,720)</b>
<b>Represented by</b>			
Units on issue	17	1,000	1,000
Undistributed losses		(237,192,252)	(350,397,720)
<b>Total capital deficiency</b>		<b>(237,191,252)</b>	<b>(350,396,720)</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

**Carmichael Rail Network Trust**  
**Statement of changes in equity**  
**For the year ended 31 March 2021**

	Units on issue	Undistributed losses	Total
	\$	\$	\$
<i>Notes</i>	<i>17</i>		
<b>For the year ended 31 March 2021</b>			
At 1 April 2020	1,000	(350,397,720)	(350,396,720)
Profit for the year	-	113,205,468	113,205,468
Total comprehensive income for the year	-	113,205,468	113,205,468
<b>At 31 March 2021</b>	<b>1,000</b>	<b>(237,192,252)</b>	<b>(237,191,252)</b>
<b>For the year ended 31 March 2020</b>			
At 1 April 2019	1,000	(275,456,951)	(275,455,951)
Loss for the year	-	(74,940,769)	(74,940,769)
Total comprehensive loss for the year	-	(74,940,769)	(74,940,769)
<b>At 31 March 2020</b>	<b>1,000</b>	<b>(350,397,720)</b>	<b>(350,396,720)</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

# Carmichael Rail Network Trust

## Statement of cash flows

For the year ended 31 March 2021

		Year ended 31 March 2021	Year ended 31 March 2020
	Notes	\$	\$
<b>Cash flows used in operating activities</b>			
Receipts from customers		4,453	10,797
Payments to suppliers		(33,536,900)	(22,062,174)
Interest received		139,196	110,188
Finance costs paid		(23,528,385)	(387,044)
Lease interest paid	14(d)	(2,322,332)	-
<b>Net cash flows used in operating activities</b>		<b>(59,243,968)</b>	<b>(22,328,233)</b>
<b>Cash flows used in investing activities</b>			
Payments made for capital work in progress and right of use land		(886,863,291)	(189,465,847)
Movement in restricted bank deposit		(10,304,138)	(5,322,142)
Payment of advances and deposits to other parties		(70,053,764)	(13,237,082)
Advances from/(to) related parties		4,253,809	(12,323,897)
Investment in associate		(1,000)	-
<b>Net cash flows used in investing activities</b>		<b>(962,968,383)</b>	<b>(220,348,968)</b>
<b>Cash flows from financing activities</b>			
Proceeds from Royalty Income Purchase Agreement		-	140,000,000
Proceeds of borrowing from related parties		1,175,081,679	519,038,887
Repayment of borrowings from related parties		(122,136,447)	(408,980,726)
Lease principal paid	14(d)	(20,139,463)	(6,395,202)
<b>Net cash flows from financing activities</b>		<b>1,032,805,770</b>	<b>243,662,959</b>
Net increase in cash at bank and on hand		10,593,418	985,758
Cash at bank and on hand at beginning of the year		997,894	12,136
Cash at bank and on hand at end of the year	6	<b>11,591,312</b>	<b>997,894</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.



# Carmichael Rail Network Trust

## Notes to the financial statements

For the year ended 31 March 2021

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### 1 GENERAL INFORMATION

The financial statements of Carmichael Rail Network Trust (the "Trust") for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Directors on 11 June 2021.

Carmichael Rail Network Trust was set up under a Trust Deed dated 17 September 2014 (the "Trust Deed") and is incorporated and domiciled in Australia. The duration of the Trust is 80 years from the date of the Trust Deed, unless the trustee terminates earlier. The trustee may terminate the Trust at any time. Carmichael Rail Network Pty Ltd (the "Trustee") is the trustee of the Trust and Carmichael Rail Asset Holdings Trust is the sole unit holder of the Trust. Parent entity details are disclosed in Note 18(a). The Trust's principal place of business is Level 9, 120 Edward Street, Brisbane, Queensland, Australia.

As the proponent of the Carmichael Rail Project (the "Project"), the Trust is principally engaged in construction activities for the rail project.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### *Statement of compliance*

These general purpose financial statements have been prepared in compliance with the requirements of *Australian Accounting Standards – Simplified Disclosures*. The Trust is a for-profit, private sector entity which is not publicly accountable for the purposes of preparing these financial statements.

The Trust has opted to adopt *Australian Accounting Standards – Simplified Disclosures* ahead of its mandatory effective date of 1 April 2022. Other than the change in disclosure requirements, the adoption of *Australian Accounting Standards – Simplified Disclosures* has no significant impact on the financial statements because the Trust's previous financial statements were prepared in full compliance with the recognition and measurement requirements of Australian Accounting Standards.

This general purpose financial report has been prepared for distribution to the unit holder to fulfil the trustee's financial reporting requirements under the Trust Deed. The accounting policies used in the preparation of this report are, in the opinion of the trustee, appropriate to meet the needs of unit holder.

The financial report is prepared in accordance with the historical cost convention except as otherwise stated, and is presented in Australian dollars.

The financial report is the stand-alone financial report of the Trust and does not consolidate the financial report of its holding entity, Carmichael Rail Asset Holdings Trust or its associate, Carmichael Rail Development Company Pty Ltd. This is because the criteria required for control by/of these entities are not met.

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Basis of preparation (continued)

##### *Going concern*

The financial report has been prepared on a going concern basis, which contemplates continuity in the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 31 March 2021, the Trust earned a profit of \$113,205,468 (2020 loss: \$74,940,769). The Trust's normalised result for the year, excluding net foreign exchange gains of \$145,354,203 (2020: net foreign exchange losses of \$46,481,069), is a loss of \$32,148,735 (2020: \$28,459,700).

As at 31 March 2021, the Trust had current liabilities exceeding current assets by \$382,477,712 (2020: \$112,648,387). The net current liability position is mainly due to borrowings from related parties which are payable on demand (refer Note 15).

The ability of the Trust to continue as a going concern is dependent upon the ongoing support of its unitholder. The group company Adani Enterprises Limited has agreed to not call on the Trust to repay any loans or other amounts owing to it or entities under its control if, after payment of the loans or the other amounts, the Trust would not be able to meet its debts as and when they fall due for a period not less than twelve months from date from these financial statements.

Additionally, Adani Enterprises Limited, in its own capacity or through entities under its control, has agreed to provide financial support to the Trust for a period of at least twelve months from the date of these financial statements. Based on the letter of support received, the Directors of the Trustee are satisfied funds will be available to meet planned activities and contractual commitments for at least 12 months from the date of the authorisation of these financial statements.

#### (b) Foreign currency translation

The Trust's functional currency is the Australian dollar, being the currency of the primary economic environment in which it operates.

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the appropriate exchange rates ruling at that date. Foreign exchange differences are dealt with in the profit or loss.

#### (c) Other income recognition

##### *Interest*

Interest income is recognised as the interest accrues using the effective interest rate ("EIR") method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (d) Income taxes

The Trust is not a taxable entity and no tax balances have been recognised.

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Goods and services tax

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

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

#### (f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (g) Trade and other receivables

Trade receivables are recognised when an amount of consideration that is unconditional is due from the customer, i.e. only the passage of time is required before payment of the consideration is due. Refer to accounting policies in note 2(h) Financial Instruments (i) Financial assets - initial recognition and measurement; and (ii) Financial assets - subsequent measurement.

#### (h) Financial instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) *Financial assets - initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Trust's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Financial instruments (continued)

##### (ii) *Financial assets - subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in the following categories:

- ▶ Financial assets at amortised cost (debt instruments)
- ▶ Financial assets at fair value through profit or loss

##### *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Trust. The Trust measures financial assets at amortised cost if both of the following conditions are met:

- ▶ The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- ▶ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Trust's financial assets at amortised cost include other receivables and amounts due from related parties.

##### (iii) *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- ▶ The rights to receive cash flows from the asset have expired; or
- ▶ The Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Trust has transferred substantially all the risks and rewards of the asset, or (b) the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### (iv) *Impairment of financial assets*

The Trust recognises an allowance for expected credit losses (ECL's) for all debt instruments not held at fair value through profit or loss. ECL's are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Trust expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For other receivables and contract assets, the Trust applies a simplified approach in calculating ECL's. Therefore, the Trust does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date.

The Trust considers a financial asset to be in default when internal or external information indicates that the Trust is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements help by the Trust. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### (v) *Financial liabilities - initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as loans and borrowings, or trade and other payables as appropriate.

All financial liabilities are recognised initially at net of directly attributable transactions costs.

The Trust's financial liabilities include trade and other payables and interest and non-interest bearing loans.

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Financial instruments (continued)

##### (vi) *Financial liabilities - subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification, as described below.

##### *Loans and borrowings and trade and other payables*

This category is the most relevant to the Trust. After initial recognition, interest and non-interest bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Comprehensive Income.

##### (vii) *Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

##### (viii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### (i) Capital Work in Progress

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. The Trust is currently in development phase and held no depreciating assets during the year.

#### (j) Leases

The Trust assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Trust as a lessee*

The Trust applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Trust recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### *Right-of-use assets*

The Trust recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Trust at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Leases (continued)

##### *Trust as a lessee (continued)*

##### Lease liabilities

At the commencement date of the lease, the Trust recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Trust and payments of penalties for terminating the lease, if the lease term reflects the Trust exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Trust uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### Short-term leases and leases of low-value assets

The Trust applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### (k) Intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation; and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units).

The recoverable amount is the greater of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (l) Impairment of non-financial assets

The Trust assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Trust makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

#### (m) Trade and other payables

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the reporting date that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (n) Interest-bearing loans

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Borrowings are classified as current unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### (o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction and production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur.

#### (p) Non-interest-bearing loans

The Trust's loan with related parties is carried at amortised cost using the EIR method. The loan is repayable on demand from lender during the tenor of the loan.

The measurement of an interest free loan at amortised cost using the effective interest rate method generally results in the carrying value of the loan being lower than its principal amount. Given this loan can be required to be repaid at any time, at the unilateral demand of the lender, the loan has been classified as a current liability. Due to the ability of the loan to be called at unilateral demand of the lender, the liability has not been discounted.

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (q) Units on issue

Units on issue are recognised at the fair value of the consideration received by the Trust. Any transaction costs arising on the issue of ordinary units are recognised directly in equity as a reduction of the unit proceeds received.

### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Trust's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

The following judgements have the most significant effect on the amounts recognised in these financial statements.

#### *Impairment of non-financial assets*

The Trust assesses whether there is any indication of impairment for capitalised work in progress (CWIP) and intangible assets at the end of each reporting period. When an impairment test is undertaken, management judgement and estimates are required in determining suitable valuation factors as mentioned in the impairment test below.

In accordance with its accounting policies and processes, each asset or CGU (which includes mine and rail) is evaluated annually to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed. Due to their interdependency, the mine and rail projects together constitute a single CGU.

In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). Given the nature of the Trust's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, the FVLCD for each CGU is estimated based on discounted future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGUs using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, including any expansion projects, and its eventual disposal, based on the CGU five-year plans and latest life of mine (LOM) plans. These cash flows are discounted using a real post-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the CGU.

Estimates included in assessing the CGU's recoverable amount including quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the planning process including LOM plans, five-year plans, one-year budgets and CGU-specific studies. The determinations of FVLCD for each CGU are considered to be Level 3 fair value measurements in both years, as they are derived from valuation techniques that include inputs that are not based on observable market data. The Trust considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Impairment assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. In such circumstances, some or all of the carrying amount of the assets/CGUs may be further impaired or the impairment charge reduced with the impact recognised in the Statement of Comprehensive Income.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

	Year ended 31 March 2021	Year ended 31 March 2020
	\$	\$
<b>4 OTHER INCOME</b>		
Interest income from external parties	258,678	140,060
Miscellaneous income	4,453	10,797
	<b>263,131</b>	<b>150,857</b>
<b>5 GENERAL AND ADMINISTRATION EXPENSES</b>		
Professional and Consultancy fees	8,928,005	9,683,336
Legal charges	1,139,055	1,138,333
Employee costs	5,159,328	1,256,902
Insurance	6,678,117	3,386,468
Other	7,803,854	4,591,483
	<b>29,708,359</b>	<b>20,056,522</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
	\$	\$
<b>6 CASH AT BANK AND RESTRICTED BANK DEPOSITS</b>		
Cash at bank and on hand	11,591,312	997,894
Restricted bank deposits*	15,764,780	5,460,642
	<b>27,356,092</b>	<b>6,458,536</b>

\* Restricted bank deposits represent bank deposits held as security against bank guarantees issued, as disclosed in Note 21.

For the purpose of the Statement of Cash Flows, cash at bank and on hand comprise:

Cash at bank and on hand	<b>11,591,312</b>	<b>997,894</b>
<b>7 OTHER RECEIVABLES</b>		
Interest accrual and GST receivables	12,142,009	5,329,315
Prepayments and other receivables	22,540,783	21,244,445
	<b>34,682,792</b>	<b>26,573,760</b>
<b>8 DUE FROM RELATED PARTIES</b>		
<b>Non-current</b>		
Non-interest bearing advances not expected to be received within 12 months from year end:		
Carmichael Rail Pty Ltd	2,395,233	6,441,077
Queensland RIPA Trust	10,420,115	10,421,115
Adani Mining Pty Ltd	-	2,218,937
Carmichael Rail Operations Trust	5,000	-
Carmichael Rail Network Holdings Trust	49,500	-
	<b>12,869,848</b>	<b>19,081,129</b>

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

	31 March 2021	31 March 2020
	\$	\$
<b>9 INVESTMENT IN ASSOCIATE - AT COST</b>		
Carmichael Rail Development Company Pty Ltd - 100% shareholding	1,000	-

On 24 October 2020, the Trust acquired 1,000 ordinary shares of Carmichael Rail Development Company Pty Ltd (formerly Queensland RIPA Finance Pty Ltd) from Queensland RIPA Pty Ltd for a consideration of \$1,000.

Because Carmichael Rail Network Trust does not have the ability to control Carmichael Rail Development Company Pty Ltd, no consolidated financial statements have been prepared.

<b>10 CAPITAL WORK IN PROGRESS</b>		
Opening balance	357,288,901	139,221,070
Additions during the year	925,612,040	179,950,111
Interest capitalised	39,299,214	38,117,720
<b>At the end of the year *</b>	<b>1,322,200,155</b>	<b>357,288,901</b>

\* Net of accumulated impairment provision of \$200,249,212 (2020: \$200,249,212).

The Carmichael project is a very large-scale project which is unique in nature and involves developing a frontier basin (the Galilee Basin).

The recoverable amount of the project CGU, which includes mine and rail, is based on an independent valuation management's estimate of fair value less cost to disposal (FVLCD) as at 31 March 2021. Given the unique and undeveloped nature of the project CGU, its recoverable amount is highly sensitive variations in key valuation inputs. FVLCD is most sensitive to the following key assumptions:

- ▶ Long term coal prices
- ▶ Discount rates

In calculating FVLCD:

- ▶ The long term coal prices forecast used by the independent valuer is based on external third party forward curves (broker consensus estimates). The coal prices were adjusted, based on independent technical consultant analysis of forecast coal quality, to arrive at appropriate coal price assumptions for the Group's product quality
- ▶ The independent valuer applied a post-tax discount rate range of 12.5% to 13.5% to the post tax cash flows. The discount rate is derived by taking into consideration the industry risk and the expected return on investment by a market participant
- ▶ The Carmichael project is developed in accordance to management's current timetable and first coal.

The valuation undertaken by the independent valuer concluded the carrying amount the assets of the project CGU were within a range of outcomes supported by their valuation. The valuation is highly sensitive to reasonably possible changes in key valuation inputs and such changes could lead to further impairment. At 31 March 2021, management concluded the carrying amount of the project CGU (net of impairment losses recognised in previous years) approximated its FVLCD and no further impairment or impairment reversal was required at that time.

Sensitivity analysis performed by the independent valuer indicated:

- ▶ A reduction in the coal price of 10% would decrease the FVLCD by approximately \$1.0 billion
- ▶ An increase in the discount rate of 1% would decrease the FVLCD by approximately \$0.3 billion

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

	31 March 2021	31 March 2020
	\$	\$
<b>11 ROYALTY RIGHTS</b>		
Intangible asset		
Royalty Rights acquired from Linc Energy Limited *	-	140,000,000
Derecognition during the year **	-	(140,000,000)
At the end of the year	-	-

\* Net of accumulated impairment provision of \$15,000,000 (2020: \$15,000,000).

On 10 August 2010, as part of the Trust's acquisition of EPC 1690 (the "burdened tenement"), Adani Mining Pty Ltd ("AMPL") entered into an Overriding Royalty Deed ("the Deed") with Linc Energy Limited ("Linc"). Inter alia, the Deed required AMPL to pay Linc \$2.00 per tonne (CPI adjusted) for all tonnes of coal extracted from the burdened tenement, with the exception of the first 400,000 tonnes mined in any one production year. Under the Deed, there was no minimum royalty payable by AMPL to Linc and the royalty only becomes payable as and when coal is despatched from the burdened tenement. The Royalty is payable for a period of 20 years from the production date. During the period ended 31 March 2016, the Deed was assigned by Linc to Carmichael Rail Network Pty Ltd as trustee for Carmichael Rail Network Trust.

\*\* During the prior year, in a back-to-back arrangement with AMPL, the Trust entered into a Royalty Income Purchase Agreement ("Agreement") with a related entity, Queensland RIPA Pty Ltd as trustee for Queensland RIPA Trust (QRIPA) for consideration of \$140 million. Under the Agreement, the Trust has agreed to pay Royalty Income Payments to QRIPA. The asset was derecognised as all significant risks and rewards associated with the Deed were transferred to QRIPA.

<b>12 SECURITY DEPOSITS</b>		
Security deposits paid	80,965,130	11,350,000
<b>13 TRADE AND OTHER PAYABLES</b>		
Trade and other payables and accruals	45,065,351	22,007,520
Amounts due to related parties *	1,643,487	3,600,959
Accrued interest payable to related parties	62,643,450	46,491,445
	<b>109,352,288</b>	<b>72,099,924</b>

\* Amounts due to related parties (non interest bearing and payable on demand) comprise:

Adani Renewable Asset Holdings Pty Ltd	19,613	128,238
Adani Australia Pty Ltd	563,186	824,790
Carmichael Rail Network Pty Ltd	1,060,688	2,647,931
	<b>1,643,487</b>	<b>3,600,959</b>

**Carmichael Rail Network Trust**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2021**

	31 March 2021	31 March 2020
	\$	\$
<b>14 RIGHT OF USE ASSETS AND LEASE LIABILITY</b>		
<b>(a) Carrying amount of right of use assets recognised</b>		
As at the beginning of the year	58,625,017	-
Additions during the year *	-	68,730,692
Depreciation expense - transferred to capital work in progress	(19,084,200)	(10,105,675)
As at year end	<u>39,540,817</u>	<u>58,625,017</u>
 * Additions during the year comprise:		
Grant of land for construction works and an offset area (Moray Downs)	-	30,600,000
Two-year lease contract for the establishment and operation of the Camp at site	-	38,130,692
	<u>-</u>	<u>68,730,692</u>
 <b>(b) Carrying amount of lease liability</b>		
As at the beginning of the year	31,735,490	-
Additions during the year	-	38,130,692
Accretion of interest	2,322,332	239,820
Payments during the year	(22,461,795)	(6,635,022)
As at year end	<u>11,596,027</u>	<u>31,735,490</u>
 Current	<u>11,596,027</u>	<u>20,139,463</u>
 Non-current	<u>-</u>	<u>11,596,027</u>
 <b>(c) Amount recognised in profit or loss</b>		
Interest expense on lease liability	<u>2,322,332</u>	<u>239,820</u>
 <b>(d) Amounts reported in the statement of cash flows</b>		
Payment of principal portion of lease liability	20,139,463	6,395,202
Payment of interest expense on lease liability	2,322,332	239,820
Total cash outflows for lease liability related to right of use assets during the year	<u>22,461,795</u>	<u>6,635,022</u>

# Carmichael Rail Network Trust

## Notes to the financial statements (continued)

For the year ended 31 March 2021

	31 March 2021	31 March 2020
	\$	\$
<b>15 NON-INTEREST BEARING LIABILITIES</b>		
Current and unsecured		
Non-interest bearing loan due to a related party (payable on demand not later than March 2024)	43,409,629	53,441,296
Non-interest bearing loan due to a related party (payable on demand not later than April 2025)	280,158,652	-
	<b>323,568,281</b>	<b>53,441,296</b>
<b>16 INTEREST-BEARING LIABILITIES</b>		
Non-current and unsecured		
Interest-bearing loans due to related parties	<b>1,310,290,490</b>	<b>672,497,353</b>
Interest-bearing loans comprise:		
▶ a loan at prior year end of \$54,845,962 which carried interest at BBSY plus a margin of 3.1% per annum. The loan was settled during the year.		
▶ loans totalling \$232,121,885 (2020: \$364,306,164) which represent US\$176,459,056 (2020: US\$224,959,056) denominated in US dollars. These loans carry interest at six months LIBOR plus a margin of 6.5% per annum and mature in March 2023.		
▶ a loan of \$338,528,098 (2020: \$253,345,227) which represents EUR219,806,294 (2020: EUR142,000,000) denominated in Euro. This loan carries interest at 3 months EURIBOR plus a margin of 5.06% per annum and matures in March 2025.		
▶ loans totalling \$514,325,178 which commenced in the current year and represent US\$390,990,000 denominated in US dollars. These loans carry interest at 3 month LIBOR plus a margin of 4% per annum and mature in September 2025.		
▶ loans totalling \$105,110,226 which commenced in the current year and represent US\$79,904,793 denominated in US dollars. These loans carry interest at LIBOR plus a margin of 4.3% per annum and mature in December 2023.		
▶ a loan of \$120,205,103 which commenced in the current year and represents US\$91,379,920 denominated in US dollars. This loan, which carried interest at 4.65% per annum, was repaid subsequent to year end.		
<b>17 UNITS ON ISSUE</b>		
Issued and paid up capital		
1000 Units of \$1 each	<b>1,000</b>	<b>1,000</b>

### 18 RELATED PARTY DISCLOSURES

#### (a) Parent entities

The Trust is owned by the following entities:

Name	Type	Ownership interest	
		31 March 2021	31 March 2020
Adani Enterprises Limited, India	Ultimate parent company	100%	100%
Adani Global Resources Pte Ltd, Singapore	Immediate parent company	100%	100%

There were no transactions between the Trust and Adani Enterprises Limited or Adani Global Resources Pte Ltd during the financial year (2020: \$nil).

**Carmichael Rail Network Trust**  
**Notes to the financial statements (continued)**  
For the year ended 31 March 2021

	31 March 2021 \$	31 March 2020 \$
<b>18 RELATED PARTY DISCLOSURES (continued)</b>		
<b>(b) Transactions with other related parties</b>		
Recharge of expenses (excluding interest) by related parties	25,782,564	35,819,361
Recharge of interest expenses (capitalised as capital work in progress - refer Note 10)	39,299,214	38,117,720
Consideration received/receivable for Royalty Income Purchase Agreement (refer Note 11)	-	140,000,000
Acquisition of an associate (refer Note 9)	1,000	-
<b>Terms and conditions of transactions with related parties</b> Recharges are based on agreements between parties.		
<b>(c) Key management personnel</b> The Trust received key management personnel services provided by another related entity. Amounts paid/payable to key management personnel of \$5,209,087 (2020: \$3,971,110) were recharged by another related entity and are included in the above recharge of expenses by related parties.		
<b>(d) Outstanding balances</b> The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:		
<i>Non-current receivables</i> Other related parties (refer to note 8 for terms and conditions)	12,869,848	19,081,129
<i>Current payables</i> Other related parties (refer to note 13 for terms and conditions)	1,643,487	3,600,959
<b>(e) Loans from related parties*</b>		
Beginning of the year	725,938,649	569,697,140
Loan proceeds	1,175,081,679	519,038,887
Loans repaid - principal	(122,136,447)	(408,980,726)
Interest expense capitalised to the loan	15,894,485	-
Payments of capitalised interest	(14,192,114)	-
Movements in foreign exchange rates	(146,727,481)	46,183,348
End of the year	1,633,858,771	725,938,649
* Refer to notes 15 and 16 for the terms and conditions.		
<b>19 CAPITAL COMMITMENTS</b> Capital expenditure	212,026,571	452,037,163
<b>20 AUDITOR'S REMUNERATION</b> The auditor of Carmichael Rail Network Trust is Ernst & Young Australia.  Amounts received or due and receivable by Ernst & Young Australia for an audit or review of the financial report of the Trust	12,100	6,900
<b>21 CONTINGENT LIABILITIES</b> Guarantees issued by the banks on behalf of the Trust amount to \$13,800,523 (2020: \$5,447,142). These guarantees are supported by bank deposits, as disclosed in Note 6.		

# **Carmichael Rail Network Trust**

## **Notes to the financial statements (continued)**

**For the year ended 31 March 2021**

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### **22 SUBSEQUENT EVENTS**

There have been no other matters or circumstances that have arisen since the end of the financial year, except as stated below, that have significantly affected, or may significantly affect the Trust's operations, the results of those operations or the Trust's state of affairs in financial years after the financial year ended 31 March 2021.

The Trust is a party to an arrangement dated 28 April 2021 for an interest-free facility of \$100 million under which certain of its suppliers' invoices are to be paid by a third party (counterparty). The Trust will reimburse the amount paid by the counterparty on or before 31 December 2021.

On 1 May 2021, the Trust entered into a loan agreement with a related party to borrow an amount of US\$200 million. The loan carries interest and has a term of 60 months.

On 1 May 2021, the Trust entered into a further loan with another related party to borrow an amount of US\$200 million. The loan carries interest and has a term of 34 months.

# **Carmichael Rail Network Trust**

## **Trustee's declaration**

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In accordance with a resolution of the directors of Carmichael Rail Network Pty Ltd as the trustee of Carmichael Rail Network Trust, we state that:

In the directors' opinion:

- (a) The financial statements and notes of the Carmichael Rail Network Trust for the financial year ended 31 March 2021 are in accordance with the Trust Deed, including:
  - (i) giving a true and fair view of the Trust's financial position as at 31 March 2021 and of its performance for the year then ended on that date; and
  - (ii) complying with Australian Accounting Standards.
- (b) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Carmichael Rail Network Pty Ltd



Samir Vora

Director

Brisbane, 11 June 2021



## Independent auditor's report to the unitholder of Carmichael Rail Network Trust

### Opinion

We have audited the financial report of Carmichael Rail Network Trust (the Trust), which comprises the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Trustee's declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as of 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards - Simplified Disclosures and the Trust Deed dated 17 September 2014.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Information other than the financial report and auditor's report thereon

The Trustee is responsible for the other information. The other information is the Trustee's report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the trustee for the financial report

The Trustee of the Trust is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the Trust Deed dated 17 September 2014 and for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young  
Brisbane  
11 June 2021