



Maple-Brown Abbott

Pooled Superannuation Trust

RSE No. R1000245

RSE Licence No. L0000130

ABN 89 672 954 462

Annual Financial Report
30 June 2021

Maple-Brown Abbott Pooled Superannuation Trust Annual Financial Report

Contents

Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to and forming part of the financial statements	5
1 Summary of significant accounting policies	5
2 Interests in unconsolidated structured entities	9
3 Net assets attributable to unitholders	10
4 Interest income	10
5 Other expenses	10
6 Income tax	11
7 Related parties	12
8 Notes to the Statement of Cash Flows	14
9 Financial instruments	16
10 Derivative financial instruments	24
11 Events subsequent to balance date	24
12 Wind-up	25
Statement by Trustee to the unitholders	26
Independent report by approved auditor to the Trustee and unitholders	27

Statement of Financial Position

	Note	2021 \$	2020 \$
Assets			
Cash and cash equivalents	8(a)	8,800,025	13,581,027
Financial assets at fair value through profit or loss	9(a)	-	92,064,354
Applications receivable		-	21,923
Interest receivable		-	14,534
Dividends and distributions receivable		135,808	463,535
Balances due from brokers		-	94,469
Reduced input tax credit receivable		12,213	24,512
Current tax asset	6(b)	-	114,496
Total assets		<u>8,948,046</u>	<u>106,378,850</u>
Liabilities			
Redemptions payable		-	123,554
Balances due to brokers		-	919,049
Sundry creditors and accruals		-	60,305
Current tax liabilities		3,944,289	-
Deferred tax liability	6(c)	-	2,541,629
Total liabilities		<u>3,944,289</u>	<u>3,644,537</u>
Net assets	3	<u><u>5,003,757</u></u>	<u><u>102,734,313</u></u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Maple-Brown Abbott Pooled Superannuation Trust
Statement of Comprehensive Income
For the reporting period ended 30 June 2021

Statement of Comprehensive Income

	Note	2021 \$	2020 \$
Revenue			
Dividends and distributions		2,273,349	2,663,220
Interest	4	427,092	823,500
Other income		16,510	1,032
Net change in the fair value of financial instruments at fair value through profit or loss		<u>17,053,274</u>	<u>(10,213,462)</u>
		<u>19,770,225</u>	<u>(6,725,710)</u>
Expenses			
Trustee fee	7(b)	497,741	627,176
Transaction costs		59,888	48,711
Other expenses	5	<u>19,329</u>	<u>25,537</u>
		<u>576,958</u>	<u>701,424</u>
Profit / (loss) from operating activities before income tax expense		<u>19,193,267</u>	<u>(7,427,134)</u>
Income tax (expense) / benefit attributable to operating activities	6(a)	<u>(1,639,361)</u>	<u>818,753</u>
Change in net assets attributable to unitholders / Total Comprehensive Income		17,553,906	(6,608,381)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	2021	2020
	\$	\$
Opening balance	102,734,313	129,557,022
Comprehensive income		
Change in net assets attributable to unitholders / Total Comprehensive Income	17,553,906	(6,608,381)
Transactions with unitholders		
Applications	31,087,430	36,979,279
Redemptions	<u>(146,371,892)</u>	<u>(57,193,607)</u>
Unitholders' funds	<u>5,003,757</u>	<u>102,734,313</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	Note	2021 \$	2020 \$
Operating activities			
Proceeds from sale of investments		134,826,425	54,299,592
Purchase of investments		(25,704,080)	(46,742,442)
Interest received		551,847	898,879
Dividends and distributions received		1,636,983	2,141,286
Other income received		-	1,032
Transaction costs paid		(59,888)	(48,711)
Management fees paid		(548,864)	(670,310)
(Tax instalments paid) tax refund received		<u>(93,397)</u>	<u>607,934</u>
Net cash flows from operating activities	8(b)	<u>110,609,026</u>	<u>10,487,260</u>
Financing activities			
Proceeds from issue of units		2,745,005	37,003,244
Payments on redemption of units		<u>(118,135,033)</u>	<u>(57,234,553)</u>
Net cash flows used in financing activities	8(d)	<u>(115,390,028)</u>	<u>(20,231,309)</u>
Change in cash and cash equivalents		(4,781,002)	(9,744,049)
Cash and cash equivalents at the beginning of the year		<u>13,581,027</u>	<u>23,325,076</u>
Cash and cash equivalents at 30 June	8(a)	<u><u>8,800,025</u></u>	<u><u>13,581,027</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

The Maple-Brown Abbott Pooled Superannuation Trust (the "Fund") is a fund domiciled in Australia and is a for profit entity. The Fund was constituted on 7 April 1986 and was terminated on 30 June 2021.

Maple-Brown Abbott Limited is the Trustee of the Fund. The registered office and principal place of business of the Trustee is Level 31, 259 George Street, Sydney, NSW 2000.

This annual financial report covers the Fund as an individual entity.

The Annual Financial Report was authorised for issue by the directors on 6 September 2021. The directors of the Trustee have the power to amend and reissue the financial report.

(a) Statement of compliance

The annual financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, interpretations issued by the Australian Accounting Standards Board (AASB) and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations.

The financial report is prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

(b) Basis of preparation

Functional and presentation currency

The annual financial report is presented in Australian dollars, which is the Fund's functional currency.

Use of estimates

The Trustee makes estimates and assumptions that affect the reported amounts in the financial statements. These estimates and associated assumptions are reviewed regularly and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The use of estimates and critical judgements in fair value measurement is described in note 9(a).

New accounting standards and interpretations

There are no new accounting standards, amendments and interpretations that are effective for the first time for the financial year beginning 1 July 2020 that have an impact on the Fund.

Comparative information

Comparative information for Proceeds from sale and Payments for purchase of Financial Assets is reclassified from Investing activity to Operating activities in the Statement of Cash Flows to conform with the current year's presentation. There were no changes to the balances as the result of this reclassification.

Going concern basis

The Trustee resolved and approved on 14 May 2021 to wind up the Fund. Unitholders were notified by letter on 26 May 2021 of the Trustee's intention to terminate the Fund and the majority of the value of the Fund was paid to unitholders on 21 June 2021. The Fund has an effective termination date of 30 June 2021 with a small residual paid to unitholders in August 2021, following the finalisation of the Fund's income tax for the year ended 30 June 2021.

1 Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

The Trustee does not regard the Fund as a going concern due to the effective termination date of 30 June 2021. As a consequence, the financial statements for the reporting period ended 30 June 2021 were not prepared on a going concern basis, whereas the financial statements for the reporting period ended 30 June 2020 were prepared on a going concern basis.

In preparing the financial statements on an alternate basis, the Responsible Entity has continued to apply the requirements of Australian Accounting Standards taking into account that the Fund is not expected to continue as a going concern in the foreseeable future. All assets are measured at their net realisable values and liabilities are measured at their anticipated settlement amounts based on relevant Australian Accounting Standard requirements. There has been no significant remeasurement of any amounts in the financial statements.

(c) Financial instruments

Classification

The Trustee classifies the Fund's investments based on its investment strategy for managing those financial assets and their contractual cash flow characteristics. The Trustee evaluates the performance and related financial information about its investments on a fair value basis in accordance with the Fund's investment strategy.

Measurement

Financial assets

The Fund's financial assets are classified either as "fair value through profit or loss" or as "amortised cost". Financial assets which are classified as "fair value through profit or loss" are recognised or derecognised by the Trustee as such at trade date. They are initially recognised at fair value, excluding transaction costs, which are expensed as incurred. Thereafter they are re-measured at fair value, with any resultant gain or loss recognised immediately in the Statement of Comprehensive Income.

Financial assets' fair values are determined as follows:

(i) Fixed interest securities

Fixed interest securities are valued at last sale price plus any interest accrued at reporting date.

(ii) Equities held via unlisted unit trusts

Equities held via units in unlisted unit trusts are valued at the net asset value price as reported by the manager at close of business on the day the trusts are being valued.

(iii) Australian-listed equities, Australian-listed property trusts (REITs)

These securities are valued at their quoted last sale price on the Australian Securities Exchange as of the close of business on the day the securities are being valued.

(iv) Cash and cash equivalents

Cash and cash equivalents may include cash at bank, deposits at call with banks, term deposits and bank bills of exchange and are valued at cost.

(v) Receivables

Receivables include balances due from brokers, dividend and distribution receivables, reduced input tax credit receivable as well as other receivables. Amounts are generally received within 30 days of being accrued for. Receivable amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition.

1 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

The amount of the impairment loss is recognised in profit or loss within other operating expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other operating expenses in profit or loss.

Financial liabilities

Financial liabilities of the Fund are measured at “amortised cost” using the effective interest method.

Financial liabilities include distributions payable, balances due to brokers, redemptions payable and sundry creditors and accruals which are carried at “amortised cost” using the effective interest method. These financial liabilities are of a short term nature and hence their carrying value approximates fair value.

The issue of redeemable units in the Fund are classified as equity because the units issued by the Fund satisfies all criteria for the classification of puttable financial instruments as equity under AASB 132 *Financial Instruments: Presentation*.

Derivatives

Derivative financial instruments are held for trading and accounted for on a fair value basis using the most recent verifiable source of market prices. Fair values are obtained using quoted market prices or determined through the use of valuation techniques. All derivatives are carried as assets when the fair value is positive and as liabilities when fair value is negative.

The Fund does not designate any derivatives as hedges in a hedging relationship.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(d) Revenue and expenses

Dividends are recognised as revenue on the date the shares are quoted ex-dividend. Distributions from unlisted unit trusts are recognised as at the date the unit value is quoted ex-distribution. Where a present entitlement to a distribution exists at year end, it is derived for tax purposes.

Interest on cash deposits, bank bills of exchange and fixed interest securities is calculated using the effective interest method and is recognised as revenue in the Statement of Comprehensive Income on an accruals basis.

Net change in the fair value of financial instruments at fair value through profit or loss is determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or acquisition (if the investment was acquired during the year).

Other income is recognised in the Statement of Comprehensive Income on an accruals basis.

Transaction costs incurred in the acquisition and disposal of assets are expensed in the Statement of Comprehensive Income on an accruals basis. Expenses, including Trustee fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

1 Summary of significant accounting policies (continued)

(e) Taxation

The Fund is taxed as a Pooled Superannuation Trust in accordance with Part IX of the Income Tax Assessment Act 1936 (as amended). The Fund is liable for tax on investment income and realised capital gains directly and the unitholders are exempt from income tax on any gains on disposal of their units in the Fund.

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Balance Sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Income tax has been provided in the current year at the rate of 15% as it is the expectation of the Trustee that the Fund will be treated as a complying superannuation fund. If the Fund is subsequently deemed to be a non-complying fund for the current year, the income tax will be levied at 47% on the Fund's taxable income.

(f) Determination of redemption price for units in the Fund

The redemption price is determined in accordance with the Trust Deed and is calculated as the value of the assets of the Fund less its liabilities (including current and deferred tax liabilities), divided by the number of units on issue.

(g) Goods and services tax (GST)

The Trustee fees and other expenses are recognised net of the amount of GST recoverable as a reduced input tax credit (RITC). Receivables and payables are stated inclusive of GST. Cash flows are included in the Statement of Cash Flows on a gross basis.

(h) Unitholders' funds

In accordance with AASB 132, the Fund units are classified as equity on the basis that the units are a puttable instrument. The key features of a puttable instrument include:

- it entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation;
- the instrument is in the class of instruments that is subordinate to all other classes of instruments;

1 Summary of significant accounting policies (continued)

(h) Unitholders' funds (continued)

- all financial instruments within the class have identical features;
- the instrument contains no other contractual obligations other than the redemption obligation;
- the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the fund over the life of the instrument; and
- the issuer has no other financial instrument or contract that has:
 - total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the fund; and
 - the effect of substantially restricting or fixing the residual return to the puttable instrument holders.

2 Interests in unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding control and the relevant activities are directed by means of contractual arrangements. The Fund considers all investments in unlisted unit trusts to be interests in structured entities.

The Fund's maximum exposure to loss from its interests in the structured entities is equal to the total fair value of its investments in these entities. The Fund's exposure to any risk from the structured entities will cease when these investments are disposed of. The Fund does not have current commitments or intentions and contractual obligations to provide financial or other support to the structured entities. There are no loans or advances made to these entities.

The table below sets out the unconsolidated structured entities held by the Fund at 30 June:

	Asset class	Statement of Financial Position reference	Fair value \$
2021	Overseas equities	Overseas equities held via unlisted unit trust	-
	Alternative assets	Alternative assets held via unlisted unit trust	-
	Australian equities	Australian-listed equities held via unlisted unit trust	-
			-
			-
	Asset class	Statement of Financial Position reference	Fair value \$
2020	Overseas equities	Overseas-listed equities held via unlisted unit trust	26,155,040
	Alternative assets	Alternative assets held via unlisted unit trust	6,629,066
	Australian equities	Australian-listed equities held via unlisted unit trust	1,384,722
			34,168,828
			34,168,828

2 Interests in unconsolidated structured entities (continued)

The investment manager of each unconsolidated structured entity is responsible for implementing and monitoring the entity's investment objective and strategy. The investment decisions are based on the analysis conducted by the underlying investment manager. The return of the Fund is exposed to the variability of the performance of the underlying structured entity.

3 Net assets attributable to unitholders

	2021		2020	
	\$	Units	\$	Units
Opening balance	102,734,313	5,624,053	129,557,022	6,707,324
Change in net assets attributable to unitholders/Total Comprehensive Income	17,553,906	-	(6,608,381)	-
Transactions with unitholders:				
Applications	31,087,430	135,390	36,979,279	113,733
Redemptions	<u>(146,371,892)</u>	<u>(5,529,004)</u>	<u>(57,193,607)</u>	<u>(1,197,004)</u>
Total transactions with unitholders	<u>(115,284,462)</u>	<u>(5,393,614)</u>	<u>(20,214,328)</u>	<u>(1,083,271)</u>
Closing balance	<u>5,003,757</u>	<u>230,439</u>	<u>102,734,313</u>	<u>5,624,053</u>

The Trustee considers net assets attributable to unitholders as capital. This capital is invested in accordance with the provisions of the Fund's Constitution. The Trustee may make additional investments in the case of net applications, or realise investments in the case of net redemptions, depending on the desired level of liquidity in the Fund. Under the Fund's Constitution, the Trustee may suspend applications or redemptions if it is considered to be in the best interests of unitholders.

4 Interest income

	2021	2020
	\$	\$
Cash and cash equivalents	13	469,344
Fixed interest securities	<u>427,079</u>	<u>354,156</u>
Total interest income	<u>427,092</u>	<u>823,500</u>

5 Other expenses

	2021	2020
	\$	\$
Audit services - KPMG:*		
Audit and review of the Annual Financial Report	24,420	18,920
Audit fee over accrued	(5,091)	-
APRA Levy	<u>-</u>	<u>6,617</u>
Total other expenses	<u>19,329</u>	<u>25,537</u>

*Regulatory audit fees (SIS and APRA return) are paid by the Trustee.

6 Income tax

(a) Income tax benefit / (expense)

Recognised in the Statement of Comprehensive Income

	2021 \$	2020 \$
Current tax benefit / (expense):		
Current year	(4,135,607)	(121,677)
Adjustments for prior years	(16,526)	(544,941)
	<u>(4,152,133)</u>	<u>(666,618)</u>
Deferred tax benefit / (expense):		
Origination and reversal of temporary differences	2,541,629	1,485,371
Other	(28,857)	-
	<u>(2,857)</u>	<u>-</u>
Total income tax benefit / (expense) in Statements of Comprehensive Income	<u><u>(1,639,361)</u></u>	<u><u>818,753</u></u>

Reconciliation between pre-tax net profit and tax benefit

	2021 \$	2020 \$
Profit / (loss) from operating activities before income tax benefit/(expense)	19,193,267	(7,427,134)
Income tax benefit / (expense) at the complying superannuation fund tax rate of 15%	(2,878,990)	1,114,070
(Increase) / decrease in income tax expense due to:		
Assessability of imputation credits on franked dividends	(68,876)	(77,306)
Assessability of foreign income tax offset	(9)	(18,646)
Non-taxable capital gain/(losses)	2,091,184	(412,976)
	<u>2,022,299</u>	<u>(508,928)</u>
(Increase) / decrease in income tax expense due to:		
Imputation credits available	459,173	536,227
Foreign income tax offset available	62	124,304
Other	(1,225,379)	98,021
Over / (under) provision in prior year	(16,526)	(544,941)
	<u>(782,670)</u>	<u>213,611</u>
Income tax benefit / (expense) attributable to operating activities	<u><u>(1,639,361)</u></u>	<u><u>818,753</u></u>

(b) Current tax asset / (liability)

	2021 \$	2020 \$
Movements during the year were as follows:		
Balance at the beginning of the year	114,496	1,389,048
Income tax paid – on account of the prior year	(89,064)	(843,686)
Income tax paid – on account of the current year	182,460	235,752
Current income tax expense	(4,135,655)	(121,677)
Over / (under) provision in prior year	(16,526)	(544,941)
	<u>(3,944,289)</u>	<u>114,496</u>
Balance at the end of the year	<u><u>(3,944,289)</u></u>	<u><u>114,496</u></u>

6 Income tax (continued)

(c) Deferred tax liabilities

	2021 \$	2020 \$
Deferred tax liabilities are attributes to the following		
Income not yet assessable for income tax purposes	(8,438)	(4,110)
Tax credits associated with income not yet assessable for income tax purposes	56,254	27,397
Unrealised gains on investments not yet assessable for income tax purposes	(47,816)	(2,564,916)
Total deferred tax liability	-	(2,541,629)

7 Related parties

(a) Trustee and Key Management Personnel

Maple-Brown Abbott Limited (ABN 73 001 208 564) is the Trustee. Maple-Brown Abbott Limited (MBA) is also the investment manager of the Fund.

As Trustee, Maple-Brown Abbott Limited is regarded as fulfilling the role and obligations of key management personnel of the Fund. The directors of Maple-Brown Abbott Limited are regarded as key management personnel of that company and not of the Fund.

(b) Trustee

The names of the persons who were directors of the Trustee during or since the end of the period are as follows:

Name	Period of directorship
R A Grundy	Appointed 01/07/2008 (retired 9 October 2020)
G R Bazzan	Appointed 01/07/2008
T T Robinson	Appointed 07/03/2013
R A R Lee	Appointed 22/10/2015
J A Elliott	Appointed 04/01/2017
S N Roberts	Appointed 04/04/2019
S S Rahmani	Appointed 14/10/2019

Loans to key management personnel of Maple-Brown Abbott Limited

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel of Maple-Brown Abbott Limited or their personally-related entities at any time during the reporting period.

Other transactions with key management personnel of Maple-Brown Abbott Limited

Apart from those details disclosed in this note, no key management personnel of Maple-Brown Abbott Limited have entered into a contract for services with the Fund since the end of the previous financial year.

7 Related parties (continued)

(b) Trustee (continued)

Remuneration

The Trustee's fee is 0.59% per annum (refer note 1(g)), accrued daily based on the market value of the Fund. The total fee of \$497,741 (2020: \$627,176) is disclosed as an item of expense in the Statement of Comprehensive Income and the fee paid during the year is disclosed separately in the Statement of Cash Flows.

Related Party Transactions

Investing activities (in other Maple-Brown Abbott funds)

The Fund may purchase and sell units in other registered managed investment schemes managed by the Trustee in the ordinary course of business at application and redemption prices calculated in accordance with the Constitutions of those funds. Where the Fund invests in other such schemes, no additional investment management or responsible entity fees are charged in respect of these inter-fund investments.

Details of the Fund's investment in the other funds managed by Maple-Brown Abbott Limited are set out below:

	Number of units held at 30 June	Fair value	Interest held in the Fund	Units purchased during the year	Units sold during the year	Distributions received/ receivable during the year
2021		\$	%			\$
MBA Australian Value Opportunities Fund*	-	-	-	67,252	2,175,512	50,228
MBA International Equity Trust	-	-	-	685,341	24,450,229	597,577
MBA Global Listed Infrastructure Fund	-	-	-	688,250	4,535,004	122,405
2020						
MBA Australian Value Opportunities Fund*	2,108,260	1,384,705	3.8	245,519	435,173	55,115
MBA International Equity Trust	23,764,888	26,155,365	24.0	5,250,633	6,259,532	441,664
MBA Global Listed Infrastructure Fund	3,846,754	6,629,111	0.7	600,812	1,192,063	130,809

* Formerly known as Maple-Brown Abbott Small Companies Trust

The transactions with those entities are carried out on the same terms and conditions as for other unitholders in those funds.

7 Related parties (continued)

(b) Trustee (continued)

Transactions with other parties

Details of the transactions by each specified director of Maple-Brown Abbott Limited and their personally related entities are as follows:

	Unitholder	Number of units held at 30 June	Fair Value	Units purchased during the year	Units sold during the year
2021			\$		
	G R Bazzan	-	-	-	11,545
	R A Grundy	1,434	31,151	-	26,470
	R A R Lee	4,153	90,190	-	76,635
2020					
	G R Bazzan	11,545	210,934	-	11,545
	R A Grundy	27,904	509,805	-	27,904
	R A R Lee	80,788	1,475,998	-	80,788

Other entities associated with the Trustee may hold units in the Fund from time to time in various capacities. The transactions with those other entities and any of the above related entities are carried out on the same terms and conditions as for other unitholders in the Fund.

8 Notes to the Statement of Cash Flows

(a) Components of cash and cash equivalents

	2021 \$	2020 \$
Cash at bank	8,800,025	3,581,582
Bank bills of exchange	-	2,999,445
Term deposits	-	7,000,000
Cash at the end of financial year	<u>8,800,025</u>	<u>13,581,027</u>

8 Notes to the Statement of Cash Flows (continued)

(b) Reconciliation of change in net assets attributable to unitholders to cash flows from operating activities

	2021	2020
	\$	\$
Increase/(decrease) in net assets attributable to unit holders	17,553,906	(6,608,381)
Proceeds from sale of financial instruments held at fair value through profit or loss	134,826,425	54,299,592
Purchase of financial instruments held at fair value through profit or loss	(25,704,080)	(46,742,442)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(17,053,274)	10,213,462
Net change in receivables and other assets	461,133	2,354,588
Net change in payables and other liabilities	(60,305)	(5,414)
Reinvested income	(964,093)	(2,812,400)
Current tax asset	4,090,943	1,273,355
Deferred tax liability	(2,541,629)	(1,485,100)
<i>Total Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</i>	110,609,026	10,487,260

(c) Non-cash operating and financing activities

The following amounts are not included in the Statement of Cash Flows:

Operating activities

Dividend and distribution income reinvestment

During the year the Fund received dividends and distributions in the form of shares or units via a dividend or distribution reinvestment plan (DRP). The dividend and distribution income reinvestments are not included in the Statement of Cash Flows relating to the purchase of investments. The value of the shares or units received is based on the market value as determined by the DRP rules and is detailed below:

	2021	2020
	\$	\$
Dividends and distributions received in the form of shares or units	964,093	2,812,400

Financing activities

In-specie transfer of assets

The Fund can issue or redeem units and distribute fund income by way of in-specie transfer of assets. The value of the units and number of units issued or redeemed during the year were nil (2020: Nil).

Operating activities

Dividend and distribution income reinvestments are not included in the Statement of Cash Flows relating to the purchase of investments.

8 Notes to the Statement of Cash Flows (continued)

(d) Reconciliation of liabilities from financing activities

The net change in financing activities during the year is (\$115,390,028) which was from applications and redemptions made by unitholders (2020: (\$20,231,309)).

9 Financial instruments

Risks and capital management objectives

The Fund's activities expose it to a variety of risks: market risk (including price risk, interest rate change and currency risk), liquidity risk, credit risk and operational risk.

The Trustee seeks to manage the Fund's financial risks through a variety of activities, including diversification of the investment portfolio and the selection of liquid investments in accordance with the specific investment policies and restrictions set out in the Product Disclosure Statement.

The key element in the Fund's investment philosophy is to seek to buy investments that offer relatively good long term value. The investment philosophy can also be described as contrarian and conservative, which helps to manage the Fund's financial risks.

The nature and extent of the financial instruments outstanding at the balance date and the risk management policies employed by the Trustee are discussed below, together with specific investment objectives and policies applicable to the Fund.

While the COVID-19 pandemic has caused uncertainty and market volatility during the period, the Trustee has continued to follow its established policies and process (as set out in this note) in managing risk and determining the fair value of the financial assets and liabilities as at the reporting date. No changes were required to the principles used in applying the fair value measurement hierarchy to financial assets and liabilities held, with each asset and liability continuing to be classified in a manner which reflects the significance and observability of the inputs used in the valuation.

(a) Market risk

Market risk is the risk that the value of a financial instrument will change as a result of exposure to market price changes, interest rate changes and currency movements.

Price risk

The Fund's market price risk is managed on a daily basis in accordance with the following specific investment policies and restrictions.

9 Financial instruments (continued)

(a) Market risk (continued)

Investment policies

The Fund's model asset allocation (the current target) is reviewed at regular asset allocation meetings having regard to the neutral, maximum and minimum asset allocations set out below:

	Neutral %	Maximum %	Minimum %
Australian assets	35	60	20
Overseas equities	25	35	10
REITs	8	15	0
Fixed interest	20	50	10
Alternative assets	5	10	0
Liquidity	7	25	0
Total	<u>100</u>		

There is also a neutral, maximum and minimum range for total growth assets (Australian equities, overseas equities and REITs) and defensive assets as follows:

	Neutral %	Maximum %	Minimum %
Growth assets	68	90	50
Defensive assets	32	50	10
Total	<u>100</u>		

At the asset allocation meetings relevant macro-economic information is reviewed. To assess the relative value of each asset class we utilise in-house models to generate our total rate of return forecasts. When assessing the relative merits of the asset classes a four year outlook is undertaken.

The Trustee adheres closely to the model weightings (subject to tolerances) determined at the asset allocation meetings. Hence the model acts as a buy-sell discipline. For example, if the Australian stock market rises, and there are no other changes to the other asset classes, the Australian equity weighting correspondingly rises and it then becomes necessary to sell Australian stocks to bring the asset classes into line with the model.

Investment restrictions

In addition to the Fund's asset allocation ranges, the main guidelines in relation to portfolio composition is as follows:

- Exposure to a single entity should not be greater than 5% above its weighting in the Trustee's customised Australian equities ex-A-REITs index. Exposure to other Australian equity funds managed by the Responsible Entity should not be greater than 5% of the Fund's Australian equity portfolio.
- The total market value held in any one REIT should not exceed by more than 10% the weighting of that REIT in the S&P/ASX 300 A-REIT Index (Total Returns).

9 Financial instruments (continued)

(a) Market risk (continued)

Market exposures

As at 30 June the market exposures were as follows:

	2021	2020
	\$	\$
Financial assets at fair value through profit or loss:		
Alternative assets held via unlisted unit trust	-	6,629,066
Australian-listed equities	-	33,579,733
Overseas equities held via unlisted unit trust	-	26,155,040
Australian-listed equities held via unlisted unit trust	-	1,384,722
Australian-listed REITs	-	9,248,602
Total	-	76,997,163

Carrying amounts versus fair values

The fair values of financial assets and financial liabilities approximates their carrying amounts in the Statement of Financial Position.

Sensitivity analysis

The table below details the approximate change in net assets attributable to unitholders and unitholders' funds if there is a percentage change in the above asset classes' price (as outlined in the investment restrictions above) assuming all other variables are constant:

	2021		2020	
	% change	\$	% change	\$
Increase in price	10	-	10	8,177,331
Decrease in price	10	-	10	(8,177,331)

Fair value measurement recognised in the Statement of Financial Position

The fair value measurement disclosures use a three-tier value hierarchy that reflects the significance of the inputs used in measuring fair values. The fair value hierarchy is comprised of the following levels:

- Level 1 – fair values measured using quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 – fair values measured using directly (i.e. as prices) or indirectly (i.e. derived from prices) observable inputs, other than quoted prices included in Level 1; and
- Level 3 – fair values measured using inputs that are not based on observable market data (unobservable inputs).

The financial instruments carried at fair value split by valuation method is summarised below:

9 Financial instruments (continued)

(a) Market risk (continued)

	Level 1	Level 2	Level 3	Total
2021	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Fixed interest securities	-	-	-	-
Overseas equities held via unlisted unit trust	-	-	-	-
Alternative assets held via unlisted unit trust	-	-	-	-
Australian-listed equities	-	-	-	-
Australian-listed equities held via unlisted unit trust	-	-	-	-
Australian-listed REITs	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2020	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Fixed interest securities	-	15,067,192	-	15,067,192
Overseas equities held via unlisted unit trusts	-	26,155,040	-	26,155,040
Alternative assets held via unlisted unit trusts	-	6,629,066	-	6,629,066
Australian-listed equities	33,579,733	-	-	33,579,733
Australian-listed equities held via unlisted unit trust	-	1,384,722	-	1,384,722
Australian-listed REITs	9,248,602	-	-	9,248,602
Total	<u>42,828,335</u>	<u>49,236,020</u>	<u>-</u>	<u>92,064,355</u>

Transfers between levels

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers between levels in the fair value hierarchy at the end of 30 June 2021. There were also no transfers between levels in the fair value hierarchy for the year ended 30 June 2020.

Fair value measurement

Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and equity securities) is based on last sale prices at the end of the reporting period without any deduction for estimated future selling costs. For the majority of financial assets and liabilities, information provided by the quoted market independent pricing services is relied upon for valuation.

9 Financial instruments (continued)

(a) Market risk (continued)

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. An active market is a market in which transactions for the financial asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value in an inactive or unquoted market (level 2 and 3)

The investments in unlisted trusts included as level 2 in the above table relate to investments in other funds managed by the Trustee. Further details of these investments are disclosed in note 7(b). These investments are valued at their quoted net asset value price at balance date in accordance with note 1(c).

As per note 1(c), the Fund's investments in government, semi-government and corporate fixed interest securities are priced on appropriate yield curves taking into account factors such as credit rating, security types, and term to maturity.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. Quoted market prices or dealer quotes for similar instruments are used for debt securities held. The Fund may use a variety of valuation methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Valuation techniques used for non-standardised financial instruments, such as over-the-counter derivatives, include the use of comparable arm's length transactions, reference to the current fair value of a substantially similar other instrument or any other valuation technique that is commonly used by market participants which maximises the use of market inputs and relies as little as possible on entity-specific inputs.

For other pricing models, inputs are based on market data at the end of the reporting period.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

Fair value measurements using significant unobservable inputs (level 3)

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2021 or the year ended 30 June 2020.

Financial instruments not measured at fair value

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values due to their short term nature.

Interest rate risk

The Fund's exposure to interest rate risk largely relates to cash and cash equivalents and fixed interest securities. Interest rate risk is caused by fluctuations in the prevailing levels of market interest rates which directly impacts on the investment values or returns.

Investment policies

For Australian fixed interest securities, the Trustee conducts fundamental analysis of economic criteria including economic growth and inflation, in order to estimate the fair value of short and long term security yields. Relative valuations, in addition to absolute valuations, are monitored and considered for the purpose of portfolio construction.

9 Financial instruments (continued)

(a) Market risk (continued)

Investment restrictions

Fixed interest securities are usually Government or semi-Government securities, or highly rated corporate bonds, but the Fund may from time to time buy other paper, including listed floating rate notes and redeemable preference shares.

At 30 June the Fund's exposure to interest rate risk for classes of financial assets is set out below:

	Floating interest rate	Fixed interest rate	Total
2021	\$	\$	\$
Cash at bank	8,800,025	-	8,800,025
Total	8,800,025	-	8,800,025
	Floating interest rate	Fixed interest rate	Total
2020	\$	\$	\$
Cash at bank	3,581,582	-	3,581,582
Term deposits	-	7,000,000	7,000,000
Bank accepted bills of exchange	-	2,999,445	2,999,445
Fixed interest securities	-	15,067,192	15,067,192
Total	3,581,582	25,066,637	28,648,219

Interest rate sensitivity (fixed interest securities)

The table below details the approximate change in net assets attributable to unitholders and unitholders' funds at reporting date if there is a change in interest rates assuming all other variables are constant:

	2021	2020	
	Basis point change	\$	Basis point change
Increase in interest rates	100	-	100
Decrease in interest rates	100	-	100
			(485,000)
			493,000

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates for financial instruments denominated in currencies other than the functional currency (AUD) of the Fund.

Investment policies

Predicting currency fluctuations is difficult but an attempt to manage currency risk is done by taking currency forecasts into account when making investments. Overseas investment exposure is achieved through the Maple-Brown Abbott Global Listed Infrastructure Fund (GLIF) and the Maple-Brown Abbott International Equity Trust (IET), which in turn invests part of its assets in the Maple-Brown Abbott Asian

9 Financial instruments (continued)

(a) Market risk (continued)

Investment Trust (AIT). The investment manager may from time to time hedge the Fund's foreign exchange exposure which may be undertaken in any of the GLIF, IET or AIT. Currency fluctuations are included in the net asset value price of the unlisted unit trusts and are considered part of the price risk sensitivity analysis.

Investment restrictions

At the asset allocation level the Trustee adheres closely to the model weightings, subject to tolerances, determined at the asset allocation meetings, hence the model acts as a buy-sell discipline for the asset classes impacted by currency exposure.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund is exposed to daily cash redemptions of redeemable units. The majority of the Fund's investments in equity securities are considered to be readily realisable. The Fund primarily holds investments in an active market which can be readily disposed.

The table below shows other financial liabilities at contractual undiscounted cashflow amounts grouped into relevant maturities based on the remaining period at 30 June to the contractual maturity date:

	Less than 1 month	1-3 months	3-12 months	More than 1 year	Total
2021	\$	\$	\$	\$	\$
Redemptions payable	-	-	-	-	-
Balances due to brokers	-	-	-	-	-
Sundry creditors and accruals	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 month	1-3 months	3-12 months	More than 1 year	Total*
2020	\$	\$	\$	\$	\$
Redemptions payable	123,554	-	-	-	123,554
Balances due to brokers	919,049	-	-	-	919,049
Sundry creditors and accruals	-	60,305	-	-	60,305
Total	<u>1,042,603</u>	<u>60,305</u>	<u>-</u>	<u>-</u>	<u>1,102,908</u>

* The carrying amounts equal the contractual cashflow amounts.

(c) Credit risk

Credit risk is the risk that the Fund may incur a loss if other parties fail to perform their obligations under the financial instruments which comprise the Fund's investment portfolio.

Any non-equity investments generally incorporate credit assessments in investment valuations and the risk of loss is implicitly provided for in the determination of the fair value of such investments. The Fund also has a credit risk exposure in relation to its transactions with counterparties such as brokers, banks and other financial intermediaries.

9 Financial instruments (continued)

(c) Credit risk (continued)

The Fund manages concentrations of credit risk by transacting through a number of brokers all of whom operate on recognised and reputable exchanges. All bank bill securities held by the Fund are endorsed or accepted by major Australian trading banks. The credit risk exposure to any one counterparty is low.

Total credit risk for the Fund arising from recognised financial instruments is limited to the value of the Fund's investments and receivables shown in the Statement of Financial Position.

At 30 June the Standard and Poor's credit rating is set out below:

	Short-term credit rating		Long-term credit rating					Total
	A1+ \$	AAA	AA+ \$	AA- \$	A \$	A- \$	BBB \$	
2021								
Cash at bank	<u>8,800,025</u>	-	-	-	-	-	-	<u>8,800,025</u>
Total	<u>8,800,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,800,025</u>
2020								
Cash at bank	3,581,582	-	-	-	-	-	-	3,581,582
Term deposits	7,000,000	-	-	-	-	-	-	7,000,000
Bank bills of exchange	2,999,445	-	-	-	-	-	-	2,999,445
Fixed interest (Aust.)								
Government	-	9,832,897	-	-	-	-	-	9,832,897
Semi-Government	-	2,054,092	545,097	-	-	-	-	2,599,189
Corporate	-	-	-	2,115,259	-	520,847	-	2,636,106
Total	<u>13,581,027</u>	<u>11,886,989</u>	<u>545,097</u>	<u>2,115,259</u>	<u>-</u>	<u>520,847</u>	<u>-</u>	<u>28,649,219</u>

(d) Operational risk

Operational risk is the risk of direct or indirect loss to the Fund associated with the Trustee's processes, personnel, technology and infrastructure, and from external forces (other than credit, market and liquidity risks) such as those arising from changes to legal and regulatory requirements.

The objective of the Trustee in managing operational risk is to mitigate as much as possible the risk of financial losses and damage to reputation, commensurate with overall cost effectiveness.

The Trustee is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of an overall control framework implemented to manage operational risk, key aspects of which include:

- appropriate segregation of duties, including the independent authorisation of transactions;
- cash and securities positions are completely and accurately recorded and reconciled to third party data;
- monitoring the performance of external service providers;
- documentation of controls and procedures;

9 Financial instruments (continued)

(d) Operational risk (continued)

- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- reporting of operational losses and proposed remedial action, with appropriate follow-up;
- assessment and mitigation of cyber risks and development of contingency business continuity, including disaster recovery plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

10 Derivative financial instruments

A derivative is a financial instrument whose value is derived from the value of an underlying asset. The value of a financial derivative is generally derived from the price of an underlying item, such as an asset or index.

Derivative financial instruments will generally require no initial net investment or an initial net investment that is smaller than what would be required for other types of financial instruments that have a similar response to changes in market factors.

Holding derivatives is considered to be part of the investment process. Whilst derivatives are used for trading purposes, the Trustee is prohibited to use derivatives to gear (leverage) the Fund. The use of derivatives is multifaceted and can include:

- hedging to protect a Fund asset or liability against fluctuations in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the investment guidelines.

(a) Futures

Futures are contractual obligations to buy or sell on a future date at a specified price. Buying or selling futures require an initial margin payment which is marked to market daily.

At 30 June the Fund's holding in futures is nil (2020: nil).

11 Events subsequent to balance date

As the investments are measured at their 30 June 2021 fair values in the financial report, any change in values subsequent to the end of the reporting period is not reflected in the Statement of Comprehensive Income or the Statement of Financial Position. However the change in the value of investments is reflected in the current unit price.

11 Events subsequent to balance date (continued)

The Fund has an effective termination date of 30 June 2021 with a small residual paid to unitholders on 25 August 2021, following the finalisation of the Fund's income tax for the year ended 30 June 2021.

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2021 or on the results and cash flows of the Fund for the year ended on that date.

12 Wind-up

The Trustee resolved and approved on 14 May 2021 to wind up the Fund. Unitholders were notified by letter on 26 May 2021 of the Trustee's intention to terminate the Fund and the majority of the value of the Fund was paid to unitholders on 21 June 2021. The Fund has an effective termination date of 30 June 2021 with a small residual paid to unitholders on 25 August 2021, following the finalisation of the Fund's income tax for the year ended 30 June 2021.

The Trustee does not regard the Fund as a going concern due to its wind-up. As a consequence, the financial statements for the reporting period ended 30 June 2021 were not prepared on a going concern basis, whereas the financial statements for the reporting period ended 30 June 2020 were prepared on a going concern basis.

In preparing the financial statements on an alternate basis, the Responsible Entity has continued to apply the requirements of Australian Accounting Standards taking into account that the Fund is not expected to continue as a going concern in the foreseeable future. All assets are measured at their net realisable values and liabilities are measured at their anticipated settlement amounts based on relevant Australian Accounting Standard requirements. There has been no significant remeasurement of any amounts in the financial statements.

Statement by Trustee to the unitholders

The Trustee reports that in its opinion:

- 1 The accompanying annual financial statements and notes to and forming part of the financial statements have been prepared in accordance with the provisions of the Fund Deed dated 7 April 1986 (as amended) including:
 - (a) complying with Australian Accounting Standards and other mandatory professional reporting requirements;
 - (b) presenting fairly the Fund's financial position as at 30 June 2021 and the results of its operations and cash flows for the year ended; and
 - (c) the financial report also complies with International Financial Reporting Standards disclosed in note 1(a).
- 2 The operation of the Maple-Brown Abbott Pooled Superannuation Trust has been carried out in accordance with the provisions of the Trust Deed dated 7 April 1986 (as amended) and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations, applicable sections of *Corporations Act 2001 and Regulations* and the requirements under section 13 of the Financial Sector (Collection of Data) Act 2001; and
- 3 As at 30 June 2021 the Fund had sufficient liquidity to meet redemption requests in the normal course of business in accordance with the terms of the Trust Deed dated 7 April 1986 (as amended).

Dated at Sydney this 6 day of September 2021.

Signed in accordance with a resolution of the directors of Maple-Brown Abbott Limited.



Director of Maple-Brown Abbott Limited (ABN 73 001 208 564)



Independent Auditor's report on financial statements

Maple-Brown Abbott Pooled Superannuation Trust (ABN 89 672 954 462) (RSE) Report by the RSE Auditor to the Trustee and members

Opinion

I have audited the financial statements of the Maple-Brown Abbott Pooled Superannuation Trust (the Fund) for the year ended 30 June 2021, comprising the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes 1 to 12.

In my opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards, the financial position of the Maple-Brown Abbott Pooled Superannuation Trust as at 30 June 2021 and the results of its operations, cash flows, changes in equity and changes in members' benefits for the year ended 30 June 2021.

Emphasis of Matter - Basis of accounting

We draw attention to note 1(b) of the financial report which describes the basis of preparation. The financial report has been prepared on a basis other than going concern, following a resolution to wind up the Fund made by the Trustees. Our opinion is not modified in respect of this matter.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities* section of my report. I am independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Responsibilities of the trustee for the Financial Statements

The RSE's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the *Superannuation Industry (Supervision) Act 1993 (SIS Act)* and the *Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations)*. The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the RSE or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my 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 these financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercised professional judgement and maintained professional scepticism throughout the audit. I also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my 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;
- Obtained 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 RSE's internal control;
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee;
- Concluded 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 RSE's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my auditor opinion. My auditor conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the RSE to cease to continue as a going concern;



- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Communicated 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 I identified during my audit.

KPMG

KPMG

K Hopkins

Karen Hopkins
Partner

Sydney
6 September 2021