

## Consolidated statement of comprehensive income

For the year ended 31 March 2020

	Notes	2020 \$	2019 \$
Revenue from contracts with customers	3	106,960,106	88,695,694
Finance income		9,323	17,813
		<b>106,969,429</b>	<b>88,713,507</b>
<b>Expenses</b>			
Consultancy fees		(757,463)	(401,803)
Contractor costs		(30,909,352)	(22,812,237)
Depreciation and amortisation		(2,350,635)	(1,888,760)
Electricity costs		(7,061,069)	(6,733,757)
Employee benefit expense		(33,081,653)	(30,581,080)
Insurance		(6,697,173)	(5,123,318)
Other operating expenses		(11,118,884)	(10,062,959)
Other general and administrative expenses		(6,457,685)	(5,983,885)
Finance expense		(98,987)	-
<b>Profit before tax</b>		<b>8,436,528</b>	<b>5,125,708</b>
Income tax expense	4	(3,271,502)	(2,786,329)
<b>Profit/(loss) for the period</b>		<b>5,165,026</b>	<b>2,339,379</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the period, net of tax</b>		<b>5,165,026</b>	<b>2,339,379</b>

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

## Consolidated statement of financial position

For the year ended 31 March 2020

		2020	2019
	Notes	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,072,154	928,536
Trade and other receivables	5	22,446,100	22,500,571
Prepayments		4,704,639	3,723,750
Inventories		8,359,691	5,923,339
Income tax receivable		-	735,186
<b>Total current assets</b>		<b>36,582,584</b>	<b>33,811,382</b>
<b>Non-current assets</b>			
Goodwill		403,457	403,457
Property, plant and equipment	6	2,093,689	888,104
Intangible assets	7	5,877,718	7,251,696
Deferred tax assets		995,674	1,272,093
Other assets	8	10,266,667	10,266,667
<b>Total non-current assets</b>		<b>19,637,205</b>	<b>20,082,017</b>
<b>Total assets</b>		<b>56,219,789</b>	<b>53,893,399</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	12,699,270	17,882,900
Lease liabilities		530,884	-
Loan from related parties	10	20,000,000	20,000,000
Employee benefit liabilities		10,014,752	8,854,578
Income tax payable		596,716	631,946
<b>Total current liabilities</b>		<b>43,841,622</b>	<b>47,369,424</b>
<b>Non-current liabilities</b>			
Lease liabilities		429,710	-
Employee benefit liabilities		565,092	305,636
<b>Total non-current liabilities</b>		<b>994,802</b>	<b>305,636</b>
<b>Total liabilities</b>		<b>44,836,424</b>	<b>47,675,060</b>
<b>Net assets</b>		<b>11,383,365</b>	<b>6,218,339</b>
<b>Equity</b>			
Issued capital	11	101,000	101,000
Retained earnings		11,282,365	6,117,339
<b>Total equity</b>		<b>11,383,365</b>	<b>6,218,339</b>

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

## Consolidated statement of changes in equity

For the year ended 31 March 2020

	Issued capital (Note 11)	Retained earnings	Total equity
	\$	\$	\$
<b>At 1 April 2019</b>	<b>101,000</b>	<b>6,117,339</b>	<b>6,218,339</b>
Profit for the period	-	5,165,026	5,165,026
Other comprehensive income	-	-	-
Total comprehensive income	-	5,165,026	5,165,026
<b>At 31 March 2020</b>	<b>101,000</b>	<b>11,282,365</b>	<b>11,383,365</b>
<b>At 1 April 2018</b>	<b>101,000</b>	<b>3,777,960</b>	<b>3,878,960</b>
Loss for the period	-	2,339,379	2,339,379
Other comprehensive income	-	-	-
Total comprehensive loss	-	2,339,379	2,339,379
<b>At 31 March 2018</b>	<b>101,000</b>	<b>6,117,339</b>	<b>6,218,339</b>

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

## Consolidated statement of cash flows

For the year ended 31 March 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Operating Activities</b>		
Receipts from Customers	116,787,560	88,064,951
Payments to suppliers and employees	(113,037,501)	(84,044,582)
Interest income received	9,323	17,813
Interest paid	(98,987)	-
Income Tax Paid	(2,295,128)	(4,550,616)
<b>Net cash from (used in) operating activities</b>	<b>1,365,267</b>	<b>(512,434)</b>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(1,077,707)	(437,011)
Purchase of intangible assets	(143,942)	(29,155)
<b>Net cash outflow from investing activities</b>	<b>(1,221,649)</b>	<b>(466,166)</b>
<b>Financing Activities</b>		
Payment of principal portion of lease liabilities	-	-
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>-</b>
Net (decrease)/increase in cash and cash equivalents	143,618	(978,600)
Cash and cash equivalents at beginning of period	928,536	1,907,136
<b>Cash and cash equivalents at 31 March 2020</b>	<b>1,072,154</b>	<b>928,536</b>

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

# Notes to the consolidated financial statements

For the year ended 31 March 2020

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## 1 Corporate information

The consolidated financial statements of Abbot Point Operations Pty Ltd (the 'Company') and its subsidiaries (collectively, the 'Group') for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on 23 April 2020.

Abbot Point Operations Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia. The ultimate parent of the Group is Adani Ports and Special Economic Zone Limited ("APSEZ").

The registered office and nature of operations and principal activities are described in the directors' report.

## 2 Significant accounting policies

### 2.1 Basis of preparation

The financial report is a special purpose financial report and has been prepared for distribution to the members and to meet the directors' financial reporting requirements to the Company's ultimate parent entity, APSEZ.

The financial report is prepared for the purpose of providing financial information to APSEZ to enable it to prepare its consolidated financial report for the year ended 31 March 2020. This twelve month period of the financial report differs from the Company's reporting period and obligations under the Corporations Act 2001.

The directors have determined that in order for the interim financial report to meet the Company's financial reporting requirements to APSEZ and present fairly Group's financial position as at 31 March 2020 and its financial performance and cash flow for the year then ended, the requirements of the Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with.

Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current period.

The financial report is prepared in accordance with the historical cost convention and is presented in Australian dollars (\$).

### 2.2 Going concern

The going concern basis has been adopted in preparing the financial report on the basis that Adani Ports and Special Economic Zone Ltd to whom the Company owes \$20,000,000 has confirmed in writing that it would not demand the payment of the amount due from the Company for a period of at least 12 months from the date of the approval of the financial report.

## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

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### 2 Significant accounting policies (continued)

#### 2.3 Changes in accounting policies, disclosures, standards and interpretations

##### **New and amended standards and interpretations**

The Group applied AASB 16 Leases for the period commencing 1 April 2019. The nature of the adoption of the new accounting standard is described below.

Several other amendments and interpretations apply for the period commencing 1 April 2019, but do not have a material impact on the financial statements of the Group.

##### **AASB 16 Leases**

AASB 16 supersedes AASB 117 Leases, AASB 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the consolidated statement of financial position.

The Group adopted AASB 16 using the modified retrospective method of adoption, the standard is effective for financial year ends commencing on or after 1 January 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying AASB 117 and AASB 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

##### **Accounting Standards and Interpretations issued but not yet effective**

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 31 March 2020. The directors have not early adopted any of these new or amended standards or interpretations.

## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

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### 2 Significant accounting policies (continued)

#### 2.4 Summary of significant accounting policies

##### (a) Basis of consolidation

The financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

##### (b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on 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.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents cash includes deposits at call which are readily convertible to cash on hand, which are as defined above, net of outstanding bank overdrafts.

## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

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### 2 Significant accounting policies (continued)

#### 2.4 Summary of significant accounting policies (continued)

##### (c) Trade and other receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

For trade receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

##### (d) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of material stores and spares consists of the invoiced value from suppliers and import duty charges and is determined on a weighted average basis.

##### (e) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of comprehensive income as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Plant and equipment 3 to 10 years
- Office equipment 2 to 10 years

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income when the asset is de-recognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.



## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

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### 2 Significant accounting policies (continued)

#### 2.4 Summary of significant accounting policies (continued)

##### (f) Intangibles

###### *Other intangible assets*

Intangible assets other than goodwill are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair values as at the date of acquisition.

Following initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised in the consolidated statement of comprehensive income on a straight line basis over the estimated economic useful lives, other than certain recoverable expenditure incurred under a service contract which is amortised based on the unit of production method. The amortisation method and the useful life for intangible assets are reviewed at least at each reporting date.

The estimated useful lives of other intangible assets are as follows:

- Access rights 2 to 5 years
- Software and software implementation costs 2 to 10 years

Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. These intangible assets are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

##### (g) Trade and other payables

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

##### (h) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

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### 2 Significant accounting policies (continued)

#### 2.4 Summary of significant accounting policies (continued)

##### (h) Revenue from contracts with customers (continued)

###### **Operating and Maintenance Services Revenue**

The Group has determined its obligation under Operating and Maintenance Agreement ("O&M Agreement") with Adani Abbot Point Terminal Pty Limited ("AAPT") represents a stand-ready obligation to operate the port at a 50 million tonnes per annum contract capacity. Under the O&M Agreement, the Group receives cost plus 10% for the performance of these services. Consistent with its performance obligation under the O&M Agreement being a stand-ready obligation, the Group recognises its revenue over time as its performance obligations are satisfied at an amount equal to the eligible costs incurred plus a 10% margin. This differs from timing of the invoicing of handling charges (both fixed and variable) to AAPT, which are based on an annually agreed budgeted rates per contracted and shipped tonnes with an annual true-up entitlement. In scope of this contract, the Group performs some capital works which are also chargeable to AAPT by adding cost plus 10% margin.

###### **Berthage**

As part of its O&M contract with AAPT, APB receives amounts for the berthing of vessels at the Abbot Point Coal Terminal as agent for AAPT. Under the O&M contract, APB transfers the amounts received from vessel owners to AAPT but receives reimbursement of its cost incurred associated with the berthing of vessels. The Group's berthing revenue represent the reimbursement of cost from AAPT under the O&M contract. These costs are excluded from eligible costs for the purpose of determining revenue from the provision of O&M services.

###### **Security levy revenue**

Commencing 1 July 2018, the Group has agreed with AAPT to invoice a security levy as an additional arrangement associated with the operation of Abbot Point Coal Terminal. The security levy is a fixed rate of \$0.06 per metric tonne loaded onto vessels. The performance obligation and revenue associated with security levy is satisfied when tonnes are loaded on the various vessels.

###### **Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

##### (i) Finance income

Interest revenue is recognised as 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.

## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

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### 2 Significant accounting policies (continued)

#### 2.4 Summary of significant accounting policies (continued)

##### (j) Taxes

###### **Current income tax**

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

###### **Deferred tax**

Deferred tax is provided for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amount of for financial statement purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

###### **Current and deferred tax for the period**

Current and deferred tax is recognised as an expense or income in the consolidated statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

###### **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

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### 2 Significant accounting policies (continued)

#### 2.4 Summary of significant accounting policies (continued)

##### (j) Taxes (continued)

###### **Goods and services tax (GST) (continued)**

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

##### (k) Leases

The Group 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.

###### **Group as a lessee**

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

###### **(i) Right-of-use-assets**

The Group 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 life of the asset or lease term.

If ownership of the leased asset transfers to the Group 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.

###### **(ii) Lease liabilities**

At the commencement date of the lease, the Group 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 in-substance 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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.

## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

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### 2 Significant accounting policies (continued)

#### 2.4 Summary of significant accounting policies (continued)

##### (k) Leases (continued)

###### *(ii) Lease liabilities (continued)*

In calculating the present value of lease payments, the Group 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.

###### **(iii) Short-term leases and leases of low-value assets**

The Group 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.

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

For the year ended 31 March 2020

**3 Revenue from contracts with customers**

	<b>2020</b>	<b>2019</b>
	\$	\$
Operation and maintenance	79,494,499	71,207,313
Capital revenue	22,847,221	15,501,616
Berthage	2,120,974	418,474
Security levy	1,922,164	1,283,578
Other operating revenue	575,248	284,714
	<b>106,960,106</b>	<b>88,695,694</b>

**4 Income tax**

	<b>2020</b>	<b>2019</b>
	\$	\$
Accounting profit before income tax	8,436,528	5,125,708
At Australia's statutory income tax rate of 30% (2018: 30%)	2,530,958	1,537,712
Adjustment in respect of current income tax for prior periods*	432,544	1,017,617
Non-deductible expenses	308,000	231,000
<b>Aggregate income tax expense</b>	<b>3,271,502</b>	<b>2,786,329</b>

\*The adjustment for the comparative period reflects the impact of the Company's decision to not form a tax consolidated group at the date of its acquisition of Abbot Point Bulkcoal Pty Ltd (a wholly-owned subsidiary), on 4 October 2016, as a consequence of recent retrospective changes to the tax consolidated legislation. This has resulted in additional tax being paid by the Group for the 2019 financial year.

**5 Trade and other receivables**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Current</b>		
Amounts due from Adani Abbot Point Terminal Pty Ltd	13,170,378	15,548,444
Amounts due from Adani Renewable Asset Holdings Pty Ltd	69,727	69,727
Amounts due from North West Rail Pty Ltd	468,701	-
Amounts due from Trustee for Adani Australia Holding Trust	166,513	-
Other receivables (including contract assets)	8,570,781	6,882,400
	<b>22,446,100</b>	<b>22,500,571</b>

## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

### 6 Property, plant and equipment

	Property, plant and equipment	Office equipment	Right-of-use assets	Total
	\$	\$	\$	\$
<b>Cost</b>				
At 1 April 2019	3,013,078	356,034	-	3,369,112
Additions	441,370	1,215	-	442,585
Effect of adoption of AASB 16				
Leases	-	-	1,626,134	1,626,134
Transfer to intangible assets	(28,142)	-	-	(28,142)
Disposals	(9,130)	-	-	(9,130)
<b>At 31 March 2020</b>	<b>3,417,176</b>	<b>357,249</b>	<b>1,626,134</b>	<b>5,400,559</b>
<b>Depreciation</b>				
At 1 April 2019	(2,474,510)	(6,498)	-	(2,481,008)
Depreciation on disposals	6,854	-	-	6,854
Effect of adoption of AASB 16				
Leases	-	-	(285,442)	(285,442)
Depreciation for the period	(172,962)	(79,054)	(295,258)	(547,274)
<b>At 31 March 2020</b>	<b>(2,640,618)</b>	<b>(85,552)</b>	<b>(580,700)</b>	<b>(3,306,870)</b>
<b>Net book value</b>				
<b>At 31 March 2020</b>	<b>776,558</b>	<b>271,697</b>	<b>1,045,434</b>	<b>2,093,689</b>
At 31 March 2019	538,568	349,536	-	888,104

### 7 Intangible assets

	Software	Access Rights	Total
	\$	\$	\$
<b>Cost</b>			
At 1 April 2019	3,894,727	5,133,333	9,028,060
Additions	115,799	-	115,799
Transfers from property, plant and equipment	28,142	-	28,142
<b>At 31 March 2020</b>	<b>4,038,668</b>	<b>5,133,333</b>	<b>9,172,001</b>
<b>Amortisation</b>			
At 1 April 2019	(1,006,364)	(770,000)	(1,776,364)
Amortisation for the period	(491,252)	(1,026,667)	(1,517,919)
<b>At 31 March 2020</b>	<b>(1,497,616)</b>	<b>(1,796,667)</b>	<b>(3,294,283)</b>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<b>2,541,052</b>	<b>3,336,666</b>	<b>5,877,718</b>
At 31 March 2019	2,888,363	4,363,333	7,251,696

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

For the year ended 31 March 2020

**8 Other assets**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Non-current</b>		
Security deposit*	<u>10,266,667</u>	<u>10,266,667</u>

\* In 2016, the Company entered into an Abbot Point Coal Terminal Operation and Maintenance contract variation agreement ("Variation Agreement") with Adani Abbot Point Terminal Pty Ltd, the owner of Abbot Point Coal Terminal 1 ("APCT 1"). Under the Variation Agreement, the Company paid \$15.4 million as security deposit In 2018. \$5.1 million was transferred from security deposit to intangible assets (Operations and Maintenance right) in light of the Variation Agreement for the extension fee which was due as of 31 March 2018.

**9 Trade and other payables**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Current</b>		
Trade payables	8,585,798	9,834,090
Other payables (including contract liabilities)	4,113,469	8,048,810
	<u>12,699,267</u>	<u>17,882,900</u>

**10 Loan from related parties**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Current</b>		
Adani Ports and Special Economic Zone	<u>20,000,000</u>	<u>20,000,000</u>

\*On 26 September 2016, the Company entered into a \$20m loan facility agreement with Adani Ports and Special Economic Zone Ltd, a related party. Under this facility the Company has drawn down the full facility amount of \$20 million (31 March 2019: \$20 million). The loan is repayable on demand.

**11 Issued Capital**

	<u>2020</u>	<u>2019</u>
	\$	\$
101,000 authorised and fully paid ordinary shares (31 March 2019: 101,000)	<u>101,000</u>	<u>101,000</u>



## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

### 12 Related party disclosures

The following table provides the total amount of transactions that have been entered into with related parties for the year ended 31 March 2020.

		Sales to related parties	Purchases from related parties
		\$	\$
<b>Ultimate parent group entities</b>			
Adani Abbot Point Terminal Pty Ltd	31 March 2020	97,727,176	1,631,902
	31 March 2019	87,983,410	2,354,185
Adani Mining Pty Ltd	31 March 2020	-	512,093
	31 March 2019	31,694	-
Adani Australia Pty Ltd	31 March 2020	-	-
	31 March 2019	-	240,366
Adani Renewable Asset Holdings Pty Ltd	31 March 2020	-	-
	31 March 2019	-	156,893
Trustee for Adani Australia Holding Trust	31 March 2020	151,375	-
	31 March 2019	-	-

### 13 Contingencies

#### Contingent liabilities

The directors are not aware of any contingent liabilities or commitments at 31 March 2020 (31 March 2019: \$nil).

### 14 Subsequent events

#### *Impact of the Coronavirus (COVID-19) outbreak*

During March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization.

The Group has not seen a significant impact on its operations and business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and therefore may affect the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however has the potential capacity to impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable nor possible to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

## Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

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### 14 Subsequent events (continued)

#### *Impact of the Coronavirus (COVID-19) outbreak (continued)*

The Group's Operating and Maintenance Contract with its customer, Adani Abbot Point Terminal Pty Ltd (related party) does provide mechanisms for determining the reasonable activities and associate costs to be incurred and revenue to be earned by the Group on the occurrence of a force majeure event. These mechanisms are anticipated to substantially protect the financial condition of the Group in the event of any potential interruption to the Group's activities due to COVID-19 subsequent to year end.

No adjustments have been made to financial statements as at 31 March 2020 for the impacts of COVID-19.

## Directors' declaration

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In accordance with a resolution of the directors of Abbot Point Operations Pty Ltd, I state that:

In the opinion of the directors:

- (a) the Group is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the consolidated financial statements and notes of the Abbot Point Operations Pty Ltd for the year ended 31 March 2020.
  - (i) present fairly the Group's financial position as at 31 March 2020 and its performance for the year ended 31 March 2020 on that date; and
  - (ii) comply with Australian Accounting Standards to the extent described in note 2.1 to the consolidated financial statements
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

  

Trista Brohier (Apr 23, 2020)

Yi Shiu Trista Brohier  
Director  
23 April 2020



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## Independent Auditor's Report to the Members of Abbot Point Operations Pty Ltd

### Opinion

We have audited the financial reporting package, being a special purpose financial report, of Abbot Point Operations Pty Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 March 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial reporting package presents fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 2 to the financial reporting package.

### 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 Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial reporting package 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.

### Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note 2 to the financial reporting package which describes the basis of accounting. The financial reporting package is prepared for purpose of providing information to Adani Ports and Special Economic Zone Limited ("parent entity") to enable it to prepare the group financial statements. As a result, the financial reporting package may not be suitable for another purpose. Our report is intended solely for the Company and the parent entity (collectively the Recipients) and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.



## Other Information

The directors are responsible for the other information. The other information is the directors' report accompanying the financial reporting package.

Our opinion on the financial reporting package 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 reporting package, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reporting package 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 Directors for the Financial Reporting Package

The directors of the Company are responsible for the preparation and fair presentation of the financial reporting package and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet Company's financial reporting requirements to its parent entity and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial reporting package that is free from material misstatement, whether due to fraud or error.

In preparing the financial reporting package, the directors are responsible for assessing the Group'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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Reporting Package

Our objectives are to obtain reasonable assurance about whether the financial reporting package 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 reporting package.

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 reporting package, 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.



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- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 reporting package 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial reporting package, including the disclosures, and whether the financial reporting package represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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  
23 April 2020