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ANZ Capel Court Limited  
ABN 30 004 768 807



02 February 2021

**Kingfisher Trust 2016-1 (ASX code: KIG)**  
**Annual Accounts**

ANZ Capel Court Limited ('the Company') is the Trust Manager for the Kingfisher Trust 2016-1.

In accordance with ASX Listing Rule 4.7A, please find attached the Kingfisher Trust 2016-1 Financial Report for financial year ended 30 September 2020.

Authorised for disclosure by Veronica Katz, Manager, SCM Trade Services, ANZ Institutional.

# **KINGFISHER TRUST 2016-1 FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**ABN 45 221 705 537**

## TRUST MANAGER'S REPORT

ANZ Capel Court Limited (ABN 30 004 768 807), the "Trust Manager" of Kingfisher Trust 2016-1 ("the Trust") presents its report together with the financial statements of the Trust for the financial year ended 30 September 2020 and the independent auditor's report thereon.

### Principal activities

The principal activity of the Trust for the period was the securitisation of residential mortgages from Australia and New Zealand Banking Group Limited ("ANZ").

There were no significant changes in the nature of the activities of the Trust during the period.

### Review of operations

The Trust was established under the ANZ RMBS Trust Deed dated 2 November 2016 ("the Master Trust Deed"), and the Notice of Creation of the Trust dated 2 November 2016 for the purpose of securitising residential mortgages. The securitisation of residential mortgages by the Trust was funded by the issuance of floating rate notes ("Notes") by Perpetual Corporate Trust Limited (ABN 99 000 341 533) (the "Trustee") on behalf of the Trust, and the funds provided by the participation and residual unitholders.

### Result

The net profit attributable to the unitholders of the Trust for the year ended 30 September 2020 was \$7,245,732 (2019: \$9,269,319).

### Distribution

Distributions made to and provided for the residual income unitholders during the year were \$7,245,732 (2019: \$9,269,319).

### Significant change in the state of affairs

In March 2020 the COVID-19 global pandemic hit Australia, and the steps undertaken to contain it resulted in a large decrease in economic activity. ANZ implemented certain measures designed to assist customers impacted by COVID-19, including reducing interest rates for certain home loans and offering customers the option of deferring home loan repayments for up to six months, with a review at three months. In August 2020, ANZ announced that it would continue to work with these customers to restructure loans and in some circumstances to provide an extension to loan repayment deferrals for a further four months.

Where a deferral request has been granted by ANZ, unpaid interest during the assistance period is capitalised. Loan terms may be extended by a period matching the length of the assistance period or future repayments adjusted so the original loan term is not exceeded.

For customers who are ahead in their repayments, there may be options such as accessing their existing redraw balances or using funds in their offset accounts. Customers who pay more than the minimum required repayment can reduce their monthly payments to the minimum required payment.

The Trust's lending portfolios have been, and continue to be, monitored closely to gauge any negative impacts on the Trust's operations as a result of these measures. There has been no material impact on the Trust's results to date.

There were no other significant changes in the state of affairs of the Trust during the financial year other than those disclosed in this report.

### Significant events after balance date

The Trust Manager is not aware of any matter or circumstances not otherwise dealt with in this report or financial statements that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial years.

Signed on behalf of ANZ Capel Court Limited as Trust Manager of Kingfisher Trust 2016-1:



Veronica Katz  
Trust Manager  
ANZ Capel Court Limited

Date: 21 January 2021

## TRUSTEE'S STATEMENT

Perpetual Corporate Trust Limited, as Trustee of the Trust (the "Trustee"), presents its report together with the special purpose financial statements of the Trust for the year ended 30 September 2020 and the independent auditor's report thereon.

The financial statements for the Trust for the year ended 30 September 2020 have been prepared by the Trust Manager, as required by the Master Trust Deed.

The auditor of the Trust, KPMG, who has been appointed by the Trustee in accordance with the Master Trust Deed, has conducted an audit of the financial statements.

A review of the operations of the Trust and the results of those operations for the year ended 30 September 2020 is contained within the Trust Manager's Report.

Based on our ongoing program of monitoring of the Trust, the Trust Manager and our review of the financial statements, we believe that:

- (a) the Trust has been conducted in accordance with the Master Trust Deed; and
- (b) the financial statements have been appropriately prepared in accordance with the provisions of the Master Trust Deed, and applicable Australian Accounting Standards and Interpretations as described in Note 1.

The Trustee is not aware of any material matters or significant change in the state of affairs of the Trust occurring up to the date of this report that requires disclosure in the financial report and the notes thereto that has not already been disclosed.

Signed on behalf of Perpetual Corporate Trust Limited, as Trustee of Kingfisher Trust 2016-1:



Junior Pritchard, Senior Client Services Manager

Name:

Position:

Date: 21st January 2021

## TRUST MANAGER'S STATEMENT

In the opinion of the Trust Manager for the Trust:

- a) the Trust is not a reporting entity because there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored to specifically satisfy all of their information needs;
- b) the financial statements and notes are drawn up in accordance with the basis of accounting described in Note 1 so as to present fairly the financial position of the Trust as at 30 September 2020, as represented by its Balance Sheet, and for the year then ended as represented by its Income Statement and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows;
- c) to the best of our knowledge, in all material respects the Trust has operated throughout the year ended 30 September 2020 in accordance with the provisions of the Master Trust Deed;
- d) at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due;
- e) the financial statements have been prepared in accordance with the provisions of the Master Trust Deed, and applicable Australian Accounting standards and interpretations as described in Note 1.

This statement is made for and on behalf of ANZ Capel Court Limited, as Trust Manager of the Kingfisher Trust 2016-1.

Signed for and on behalf of ANZ Capel Court Limited, as Trust Manager of Kingfisher Trust 2016-1:



Veronica Katz  
Trust Manager  
ANZ Capel Court Limited

Date: 21 January 2021

## INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

	Note	Year to 30/09/2020 \$	Year to 30/09/2019 \$
Interest income		31,294,117	48,670,261
Bank interest income		85	397
Finance income		31,294,202	48,670,658
<b>Total revenue</b>		31,294,202	48,670,658
Note interest expense		16,081,306	32,484,235
Net swap interest expense		4,751,382	3,027,757
Liquidity and redraw facility fees		44,392	55,758
Finance expense		20,877,080	35,567,750
Reimbursement of principal losses		90,314	-
Servicer fee		2,219,578	2,787,915
Custodian fee		133,175	167,275
Trustee fee		68,252	85,728
Trust manager fee		532,699	669,100
Other expenses		127,372	123,571
<b>Total expenses</b>		24,048,470	39,401,339
<b>Profit for the year</b>		7,245,732	9,269,319
Other comprehensive income		-	-
<b>Profit attributable to unitholders</b>		7,245,732	9,269,319

## BALANCE SHEET

	Note	30/09/2020 \$	30/09/2019 \$
<b>Assets</b>			
Cash and cash equivalents		17,078	7,190
Trade and other receivables	3	3,280,661	5,420,050
Loans and advances	4	765,719,431	997,610,043
<b>Total assets</b>		769,017,170	1,003,037,283
<b>Liabilities</b>			
Trade and other payables	5	3,297,629	5,427,130
Interest bearing liabilities	6	765,719,431	997,610,043
<b>Total liabilities</b>		769,017,060	1,003,037,173
<b>Net assets attributable to unitholders</b>		110	110

## STATEMENT OF CHANGES IN EQUITY

	Trust Units Issued \$	Reserves \$	Total \$
Balance as at 1 October 2018	110	-	110
Profit attributable to unitholders	-	9,269,319	9,269,319
Total distribution for the year	-	(9,269,319)	(9,269,319)
<b>Balance as at 30 September 2019</b>	<b>110</b>	<b>-</b>	<b>110</b>
Balance as at 1 October 2019	110	-	110
Profit attributable to unitholders	-	7,245,732	7,245,732
Total distribution for the year	-	(7,245,732)	(7,245,732)
<b>Balance as at 30 September 2020</b>	<b>110</b>	<b>-</b>	<b>110</b>

## STATEMENT OF CASH FLOWS

	Year to 30/09/2020 \$	Year to 30/09/2019 \$
<b>Cash flows from operating activities</b>		
Interest income received	33,428,638	50,594,100
Payments to suppliers	(3,124,941)	(3,940,772)
Net swap payments	(6,596,807)	(4,606,598)
Borrowing costs paid	(16,317,704)	(32,776,737)
<b>Net cash provided by operating activities</b>	<b>7,389,186</b>	<b>9,269,993</b>
<b>Cash flows from investing activities</b>		
Payments for receivables	(4,172,834)	(2,229,409)
Proceeds from collection of receivables (net of redraws)	235,973,132	235,895,750
<b>Net cash provided by investing activities</b>	<b>231,800,298</b>	<b>233,666,341</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(231,890,612)	(233,666,342)
Distributions paid	(7,288,984)	(9,308,041)
<b>Net cash used in financing activities</b>	<b>(239,179,596)</b>	<b>(242,974,383)</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,888</b>	<b>(38,049)</b>
Cash and cash equivalents at the beginning of the year	7,190	45,239
<b>Cash and cash equivalents at the end of the year</b>	<b>17,078</b>	<b>7,190</b>
<b>Cash and cash equivalents</b>		
	<b>30/09/2020 \$</b>	<b>30/09/2019 \$</b>
Cash at bank	17,078	7,190

**Reconciliation of cash flow from operating activities**

	<b>Year to 30/09/2020</b>	<b>Year to 30/09/2019</b>
	<b>\$</b>	<b>\$</b>
Profit for the year	7,245,732	9,269,319
<b>Adjustments to reconcile to net cash provided by operating activities</b>		
Reimbursement of principal losses	90,314	-
<b>Net cash provided by operating activities before changes in asset and liabilities</b>	7,336,046	9,269,319
Decrease in trade and other receivables	2,139,389	1,921,471
Decrease in payables and other liabilities	(4,426)	(49,454)
Decrease in interest and swap interest payable	(2,081,823)	(1,871,343)
<b>Net cash provided by operating activities</b>	7,389,186	9,269,993



## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Framework

In the opinion of the Trust Manager, the Trust is not a reporting entity because there are unlikely to exist users of the special purpose financial report who are unable to command the preparation of reports tailored to specifically satisfy all of their information needs. The financial statements of the Trust have been drawn up as special purpose financial statements for use by the Trust Manager, Trustee, and the unitholders and for the purpose of fulfilling the requirements of the Master Trust Deed.

The Trust is a for-profit entity.

The Kingfisher Trust 2016-1 is a unit trust established and domiciled in Australia. The principal place of business of the Trust is Level 5, 242 Pitt Street, Sydney, New South Wales 2000, and its principal activity is the securitisation of residential mortgages.

#### Basis of preparation and statement of compliance

The special purpose financial statements have been prepared on the basis of historical cost unless otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets.

The special purpose financial statements have been prepared in accordance with the provisions of the Master Trust Deed, the recognition and measurement principles of accounting specified by relevant Australian Accounting Standards ("AASB") (including Australian Accounting Interpretations) and the disclosure requirement of the following standards:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 Events after the Balance Sheet Date
- AASB 1054 Additional Australian Disclosures.

#### Use of estimates and judgements

The application of Australian Accounting Standards requires judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Except as disclosed in these financial statements, the accounting policies set out below are consistent with those applied in the preparation and presentation of the financial statements of the Trust for the year ended 30 September 2019.

#### (i) Finance income and expenses

Interest income is recognised as it accrues using the effective interest method.

The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense over the expected life of the financial asset or financial liability so as to achieve a constant yield on the financial asset or liability.

Interest expense on financial liabilities measured at amortised cost is recognised in the Income statement as it accrues using the effective interest method.

#### (ii) Taxation

Under current legislation the Trust is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the residual income unitholders. Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to residual income unitholders.

#### (iii) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of the related expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (iv) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank and investments in money market instruments which are highly liquid investments with maturities of less than three months that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

#### (v) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost, less any allowance for impairment.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Significant accounting policies (continued)

#### (vi) Loans and receivables

Loans and receivables represent the contracted cash flows from ANZ in relation to mortgage loans which have been securitised to the Trust. The related mortgage assets are not derecognised from ANZ's balance sheet as they do not meet the de-recognition criteria set out under AASB 9, 'Financial Instruments'. The loans are measured at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

#### (vii) Impairment

Financial assets are assessed for impairment using the expected credit loss (ECL) methodology as per AASB 9, 'Financial Instruments'.

The measurement of ECLs reflects an unbiased, probability weighted prediction which evaluates a range of scenarios and takes into account the time value of money, past events, current conditions and forecasts of future economic conditions.

ECL is calculated as the product of the following credit risk factors, discounted to incorporate the time value of money:

- *Probability of default (PD)*: the estimate of the likelihood that a borrower with default over a given period;
- *Exposure at default (EAD)*: the expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest; and
- *Loss given default (LGD)*: the expected loss in the event of the borrower defaulting, expressed as a percentage of the facility's EAD, taking into account direct and indirect recovery costs.

These credit risk factors are adjusted for current and forward looking information through the use of macro-economic variables.

Financial assets are reported net of any provision for credit impairment.

#### (viii) Trade and other payables

Trade and other payables are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

#### (ix) Interest bearing liabilities

Interest bearing liabilities are initially recorded at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost, with differences in initial recognised amounts and redemption values being recognised in the income statement over the period of borrowing using an effective interest method.

#### (x) Distributions

In accordance with the Master Trust Deed, the Trust fully distributes its distributable income to residual income unitholders by way of cash. Distributions to residual income unitholders comprise the income of the Trust to which the residual income unitholders are presently entitled. The distributions are payable at the end of each financial year.

#### (xi) Unitholders

In accordance with the Master Trust Deed, the unitholders represent residual interest in the Trust, after payment of all liabilities. These have been classified as equity as per AASB 132, 'Financial Instruments: Presentation'.

#### (xii) Derivative financial instruments

The Trust enters into derivative financial instruments, namely interest rate swaps, to manage its exposure to interest rate risk. Costs or gains arising at the time of entering into a hedge transaction are deferred and brought to account over the life of the hedge.

As the financial assets do not qualify for de-recognition from the originator (ANZ), in line with AASB 9, 'Financial Instruments', the interest rate swap is recognised on an accruals basis.

#### (xiii) Going concern

The Trust accounts are prepared on a going concern basis.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. AUDITOR'S COMPENSATION

	30/09/2020	30/09/2019
	\$	\$
<b>Audit services</b>		
<i>KPMG Australia:</i>		
Audit or review of financial statements	14,546	14,314
<b>Total compensation of auditors</b>	14,546	14,314

The policy of the ultimate parent entity, ANZ, allows KPMG Australia or any of its related practices to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of auditor. KPMG Australia or any of its related practices may not provide services that are perceived to be materially in conflict with the role of auditor. These include consulting advice and subcontracting of operational activities normally undertaken by management, and engagements where the auditor may ultimately be required to express an opinion on its own work. However, non-audit services that are not perceived to be materially in conflict with the role of auditor may be provided by KPMG Australia or any of its related practices subject to the approval of the Audit Committee.

### 3. TRADE AND OTHER RECEIVABLES

	30/09/2020	30/09/2019
	\$	\$
GST receivable	-	1,015
Prepaid expenses	10,165	14,103
Interest receivable	3,270,496	5,404,932
<b>Total trade and other receivables - current</b>	3,280,661	5,420,050

### 4. LOANS AND ADVANCES

	30/09/2020	30/09/2019
	\$	\$
Loan receivables - at amortised cost	765,719,431	997,610,043
Residual contract maturity:		
Within one year	8,083	43,292
After more than one year	765,711,348	997,566,751
<b>Total loans and receivables</b>	765,719,431	997,610,043

In March 2020 the COVID-19 global pandemic hit Australia. In response to the pandemic, ANZ implemented certain measures designed to assist customers impacted by COVID-19, such as reducing interest rates for certain home loans and providing them with the option of loan repayment holidays. Where a deferral request has been granted by ANZ, unpaid interest during the assistance period is capitalised.

The Trust's lending portfolios have been, and continue to be, monitored closely to gauge any negative impacts on the Trust's operations as a results of these measures. There has been no material impact on the Trust's results to date.

The Trust has not recorded a provision against loan receivables associated with securitised mortgages assets. Certain credit enhancements, such as lenders mortgage insurance (LMI), low loan to value ratio of the current portfolio, and the Trusts right to reimburse principal losses to the extent of income available in the Trust, affords the Noteholders a high level of protection from the credit risk of the underlying mortgage assets.

ANZ retains the securitised mortgage assets on its balance sheet, and in relation to these has recorded an Expected Credit Loss (ECL) provision of \$1,938,436 (2019: \$1,379,786), representing 0.3% (2019: 0.01%) of the total loan receivable balance. Included within the ECL provision for the current year is \$283,438 (0.8%) provided against \$37,180,448 of loans approved for loan repayment holidays due to COVID-19.

This ECL provision is considered to be immaterial to the Trust, given that the existing credit enhancements (most notably the excess income / profit generated) are currently sufficient to cover any future losses. It is deemed that no provision is currently required against the Trust loan receivable balance.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. TRADE AND OTHER PAYABLES

	30/09/2020	30/09/2019
	\$	\$
GST Payable	1	-
Net swap interest payable	2,894,501	4,739,926
Note interest payable	202,481	438,879
Trust distributions payable (refer note 7)	80,463	123,715
Sundry creditors and accruals	120,183	124,610
<b>Total trade and other payables - current</b>	<b>3,297,629</b>	<b>5,427,130</b>

### 6. INTEREST BEARING LIABILITIES

	30/09/2020	30/09/2019
	\$	\$
At amortised cost:		
Class A1 notes issued	642,910,815	837,610,043
Class A2 notes issued	53,728,770	70,000,000
Class B notes issued	36,842,585	48,000,000
Class C notes issued	10,745,754	14,000,000
Class D notes issued	9,210,645	12,000,000
Class E notes issued	6,140,431	8,000,000
Class F notes issued	6,140,431	8,000,000
<b>Total interest bearing liabilities</b>	<b>765,719,431</b>	<b>997,610,043</b>
Current	169,604,820	178,759,991
Non-current	596,114,611	818,850,052

Where principal losses on securitised mortgage assets exceed the excess income in the Trust (please refer Note 4), these unreimbursed losses would firstly be charged off against Class F Notes until their stated amount is reduced to zero, and then the Class E Notes and so forth.

### 7. DISTRIBUTIONS PAYABLE

	30/09/2020	30/09/2019
	\$	\$
Distributions payable at the beginning of the year	123,715	162,437
Profit attributable to unitholders	7,245,732	9,269,319
Total distribution payable to unitholders	7,369,447	9,431,756
Distributions paid during the year	(7,288,984)	(9,308,041)
<b>Distributions payable at the end of the year - current</b>	<b>80,463</b>	<b>123,715</b>

### 8. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments and contingent liabilities as at 30 September 2020 (2019: Nil).

### 9. EVENTS SINCE THE END OF THE FINANCIAL YEAR

There have been no significant events subsequent to balance date which would have a material effect on the Trust's financial statements up to the date of this report.



# Independent Auditor's Report

To the Unitholders of Kingfisher Trust 2016-1

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of Kingfisher Trust 2016-1 (the Trust).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Trust as at 30 September 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the basis of preparation described in Note 1 to the financial statements.

The **Financial Report** comprises:

- Balance Sheet as at 30 September 2020
- Income Statement and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Trustee's Statement, and
- Trust Manager's Statement.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Trust in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

### Emphasis of matter – basis of preparation and restriction on use

We draw attention to Note 1 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to assist the Trust in meeting the financial reporting requirements of the ANZ RMBS Master Trust Deed. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Trust and Trust Manager and should not be used by parties other than the Trust and Trust Manager. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Trust and Trust Manager or for any other purpose than that for which it was prepared.

## Other Information

Other Information is financial and non-financial information in the Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Trust Manager is responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of Trust Manager for the Financial Report

The Trust Manager is responsible for:

- preparing the Financial Report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the Financial Report is appropriate
- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our Auditor's Report.



KPMG

Melbourne

21 January 2021