ADANI RUGBY RUN TRUST

ABN: 15 181 730 931

FINANCIAL REPORT
complying with
Australian Accounting Standards - Simplified Disclosures

FOR THE YEAR ENDED
31 MARCH 2023

Adani Rugby Run Trust

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Adani Rugby Run Trust
Trustee's report
Year ended 31 March 2023

The directors of Adani Rugby Run Pty Ltd ('ARRPL' or 'Trustee') as trustee of Adani Rugby Run Trust ('ARRT' or 'Trust') submit their report for the year ended 31 March 2023.

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

Samir Vora
Jeyakumar Janakaraj

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

PRINCIPAL ACTIVITIES
The principal activity of the Trust during the period was the generation of electricity through the Rugby Run Solar Farm plant.

REVIEW OF OPERATIONS
The profit after tax for the Trust for the year ended 31 March 2023 was $1.5 million (2022 loss: $1.0 million).

DISTRIBUTIONS
No distribution has been paid or recommended.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS
Other than the matters detailed as part of our review of the Trust’s operations for the year ended 31 March 2023, there were no significant changes in the state of affairs of the Trust during the current financial year.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD
There have been no other matters or circumstances that have arisen since the end of the year that have significantly affected, or may significantly affect the Trust’s operations, the results of those operations or the Trust’s state of affairs in years after the year ended 31 March 2023.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS
Rugby Run Solar Farm is expected to continue operations on an ongoing basis.

ENVIRONMENTAL REGULATION AND PERFORMANCE
The Trust’s operations are subject to State and Federal Environmental Legislative requirements. There were no material breaches or non-compliance with these requirements during the year ended 31 March 2023 and up to the date of this report.

INSURANCE OF TRUSTEE AND INDEMNITIES
During the year, a related party paid premiums in respect of Directors' and Officers' Liability insurance cover. The insurance contract insures against certain liabilities (subject to exclusions) for persons who are or have been directors of the Trustee or officers of the Trust. A condition of the contract is that the nature of the liabilities indemnified and the premium payable shall not be disclosed.

INDEMNIFICATION OF AUDITORS
To the extent permitted by law, the Trust has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the year ended 31 March 2023.

Adani Rugby Run Trust
Trustee's report (continued)
Year ended 31 March 2023

ROUNDING
The amounts contained in the trustees' report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000).

Signed in accordance with a resolution of directors of Adani Rugby Run Pty Ltd as trustee of Adani Rugby Run Trust.

On behalf of the Board of Adani Rugby Run Pty Ltd



Samir Vora
Director

Brisbane, 1 May 2023

Adani Rugby Run Trust

Statement of comprehensive income

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 $'000	Year ended 31 March 2022 $'000
Lease revenue	4(a)	8,002	7,255
Other income	4(b)	7,789	6,112
Interest income		46	-
Operating expenses		(2,898)	(3,010)
General and administration expenses		(1,362)	(1,215)
Depreciation and amortisation		(4,983)	(4,952)
Foreign exchange gain, net		(6)	1
Finance costs	5	(5,094)	(5,162)
Profit/(loss) before tax		**1,494**	**(971)**
Income tax expense		-	-
Profit/(loss) for the year		**1,494**	**(971)**
Other comprehensive income		-	-
Total comprehensive Income/(loss) for the year		**1,494**	**(971)**

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

Adani Rugby Run Trust

Statement of financial position

As at 31 March 2023

	Notes	31 March 2023 $'000	31 March 2022 $'000
Assets			
Current assets			
Cash at bank		3,849	2,751
Trade and other receivables	6	951	1,560
Total current assets		**4,800**	**4,311**
Non-current assets			
Due from related parties	7	2,139	1,413
Investment in associate	8	1	1
Right of use asset	13(a)	3,742	3,891
Capital work in progress	9	126	87
Property, plant and equipment	10	100,250	104,538
Intangible assets	11	561	578
Total non-current assets		**106,819**	**110,508**
Total assets		**111,619**	**114,819**
Liabilities			
Current liabilities			
Trade and other payables	12	891	1,091
Lease liability	13(b)	32	25
Non-interest bearing loans	14(a)	51,212	55,777
Interest-bearing loan	14(b)	400	500
Total current liabilities		**52,535**	**57,393**
Non-current liabilities			
Lease liability	13(b)	4,251	4,277
Interest-bearing loan	14(b)	75,460	75,270
Total non-current liabilities		**79,711**	**79,547**
Total liabilities		**132,246**	**136,940**
Net liabilities attributable to the unit holder		**(20,627)**	**(22,121)**
Represented by			
Units on issue	15	1	1
Undistributed losses		(20,628)	(22,122)
Total capital deficiency		**(20,627)**	**(22,121)**

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

Adani Rugby Run Trust

Statement of changes in equity

For the year ended 31 March 2023

	Note	Units on issue	Undistributed losses	Total
		15		
		$'000	**$'000**	**$'000**
For the year ended 31 March 2023				
At 1 April 2022		1	(22,122)	(22,121)
Profit for the year attributable to the unit holder		-	1,494	1,494
Total comprehensive income for the year		**-**	**1,494**	**1,494**
At 31 March 2023		**1**	**(20,628)**	**(20,627)**
For the year ended 31 March 2022				
At 1 April 2021		1	(21,151)	(21,150)
Loss for the year attributable to the unit holder		-	(971)	(971)
Total comprehensive loss for the year		**-**	**(971)**	**(971)**
At 31 March 2022		**1**	**(22,122)**	**(22,121)**

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

Adani Rugby Run Trust

Statement of cash flows

For the year ended 31 March 2023

	Year ended 31 March 2023 $'000	Year ended 31 March 2022 $'000
Cash flows from operating activities		
Receipts from customers	17,957	14,260
Payments to suppliers and employees	(6,009)	(5,788)
Interest received	46	-
Finance costs paid	(4,506)	(4,577)
Net cash from operating activities	**7,488**	**3,895**
Cash flows used in investing activities		
Additions to capital work in progress and property, plant and equipment	(585)	(147)
Net cash used in investing activities	**(585)**	**(147)**
Cash flows used in financing activities		
Repayment of borrowings	(5,065)	(2,065)
Advances paid to related parties, net	(727)	(727)
Finance lease principal paid	(19)	(19)
Net cash used in financing activities	**(5,811)**	**(2,811)**
Net increase in cash at bank and on hand	1,092	937
Cash at bank and on hand at beginning of the year	2,751	1,813
Foreign exchange difference	6	1
Cash at bank and on hand at end of the year	**3,849**	**2,751**

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

Adani Rugby Run Trust

Notes to the financial statements

For the year ended 31 March 2023

1 GENERAL INFORMATION

The financial statements of Adani Rugby Run Trust (the 'Trust') for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Trustee Directors on 1 May 2023.

Adani Rugby Run Pty Ltd ('Trustee') is the trustee of the Trust, and Adani Renewable Asset Trust is the sole unit holder of the Trust. These entities are incorporated in Australia. Parent entity details are disclosed in Note 16(a). The Trust's principal place of business is Level 9, 120 Edward Street, Brisbane, Queensland, Australia.

The Trust is principally engaged in the generation of electricity through the Rugby Run Solar Farm power plant.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

(i) Statement of compliance

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

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

The financial report has been prepared on a historical cost basis, except as otherwise stated, and is presented in Australian dollars. Comparative information has been reclassified where required for consistency with the current year's presentation.

All values are rounded to the nearest thousand ($'000), except when otherwise indicated.

The financial report is the stand-alone financial report of the Trust and does not consolidate the financial report of its holding entity, Adani Renewable Asset Trust or its associate, Adani Rugby Run Finance Pty Ltd. This is because the criteria required for control by/of these entities are not met.

(ii) Going concern

During the year ended 31 March 2023, the Trust earned a profit of $1.5 million (2022 loss: $1.0 million).

As at 31 March 2023, the Trust had current liabilities exceeding current assets by $47,735 (2022: $53,082). The net current liability position is mainly due to the classification of the Trust's related party payables and borrowings as current liabilities (refer Note 14).

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

The ability of the Trust to continue as a going concern is dependent upon the ongoing support of its unit holder. Consistent with prior years, the Trust is dependent on the ongoing financial support of Adani Enterprises Ltd ('AEL') (its ultimate parent entity) and has received a letter of support as part of the finalisation of the financial report for the year ended 31 March 2023. AEL has agreed to not call on the Trust to repay any loans or other amounts owing to it or entities under its control if, after payment of the loans or the other amounts, the Trust would not be able to meet its debts as and when they fall due for a period not less than twelve months from the date of these financial statements. Additionally, AEL, in its own capacity or through entities under its control, has agreed to provide financial support to the Trust for a period at least twelve months from the date of these financial statements.

Based on the letter of support received, the Trustee's Directors are satisfied funds will be available to meet the planned activities and contractual commitments for at least 12 months from the date of the authorisation of these financial statements. In making this assessment, the Trustee's Directors have considered the ability of AEL to continue to provide effective financial support in light of matters detailed in Note 18 to the financial report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency translation

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

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

(c) Lease revenue

Revenue is earned from a power purchase agreement with an electricity retailer that transfers the rights for electricity delivered to the Australian Energy Market Operator to the retailer. The agreement provides for supply of a minimum annual energy quantity adjusted for any shortfall over 12 years to 31 December 2030.

Under AASB 16 *Leases,* the Trust as lessor recognises the arrangement as an operating lease with the solar farm asset retained in the Statement of Financial Position and revenue recognised over the term of the lease on a systematic basis representative of the pattern in which benefit from the use of the asset is diminished.

Revenue recognition is based on the minimum annual energy quantity for the contract year adjusted, if required, for any shortfall or excess. Electricity supplied but unbilled at year end is recognised as accrued revenue.

(d) Other income recognition

(i) Large-scale generation certificates

The Trust earns income from large-scale generation certificates ('LGC's') for electricity generated from renewable energy sources. Income is recognised as eligible electricity is generated and is valued based on the sale price of certificates or, if unsold or subject to the validation process, marked to market.

(ii) Interest

Interest income 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.

(e) Income taxes

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

(f) Goods and services tax

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

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

(g) Cash and cash equivalents

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

For the purpose of the Statement of Cash Flows, cash at bank and on hand includes deposits at call which are readily convertible to cash on hand, as defined above, net of outstanding bank overdrafts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Trade and other receivables

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

Collectability of receivables is reviewed on an ongoing basis.

(i) Investment at cost

The Trust has a full shareholding in Adani Rugby Run Finance Pty Ltd ('ARRFPL'). Since the Trust does not in itself have the ability to control ARRFPL, consolidated financial statements are not prepared by the Trust and the shareholding is recognised by the Trust as an investment at cost in its separate financial statements.

(j) Financial instruments

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

(i) Financial assets - initial recognition and measurement

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

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

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

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

(ii) Financial assets - subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

(iii) De-recognition of financial assets

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

► The rights to receive cash flows from the asset have expired; or

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

(iv) Impairment of financial assets

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

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

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

(v) Financial liabilities - initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or trade and other payables as appropriate. All financial liabilities are recognised initially at net of directly attributable transactions costs. The Trust's financial liabilities include trade and other payables and interest and non-interest bearing loans.

(vi) Financial liabilities - subsequent measurement

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

Loans and borrowings and trade and other payables

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

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

(vii) De-recognition of financial liabilities

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

(viii) Offsetting of financial instruments

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Capital Work in Progress

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. When capital work in progress is completed and brought into production, the resulting assets are reclassified as property, plant and equipment.

(l) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses.

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 Trust 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 profit or loss 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 - 20 to 30 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(m) Intangible assets

Intangible assets represent LGC's held as well as eligible electricity subject to the LGC validation process at year end. They are recognised as intangible assets and valued at marked to market, with changes in fair value being recognised through profit or loss. The inputs used for the fair value measurements are taken from observable markets, as LGC's are actively traded.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases

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

Trust as a lessee

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

Right-of-use assets

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

If ownership of the leased asset transfers to the Trust at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are also subject to impairment.

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Trust as a lessor

Leases in which the Trust does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment of non-financial assets

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

(p) Trade and other payables

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

(q) Non-interest-bearing loans

The Trust's loans with related parties are carried at amortised cost using the EIR method. The loan is for a period of five years but, on issuing notice to the Trust, the lender can require the Trust to repay the loan on demand.

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

(r) Units on issue

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

(s) New and amended accounting standards and interpretations

The Trust applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. During the current financial year, the Trust has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Trust's financial statements are disclosed below. The Trust intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

AASB 2022-5 Amendments to AAS's - *Lease Liability in a Sale and Leaseback*

The amendment specifies that a seller-lessee measures the lease liability arising from a leaseback in such a way that they would not recognise any gain or loss on the sale and leaseback relating to the right-of-use-asset retained. The amendment does not prescribe specific measurement requirements for the lease liability arising from a leaseback. The seller-lessee will need to establish an accounting policy that results in information that is relevant and reliable in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendment is effective for annual reporting periods beginning on or after 1 January 2024, and is applied retrospectively to sale and leaseback transactions entered into after the beginning of the annual reporting period in which an entity first applied AASB 16. Earlier application is permitted.

AASB 2020-1 Amendments to AASs – *Classification of Liabilities as Current or Non-current*

The amendments clarify:

► What is meant by a right to defer settlement
► That a right to defer must exist at the end of the reporting period
► That classification is unaffected by the likelihood that an entity will exercise its deferral right
► That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) New and amended accounting standards and interpretations (continued)

AASB 2022-6 Amendments to AAS's - *Non-current Liabilities with Covenants*

The amendments clarify the requirements for classifying liabilities as current or non-current, specifically

► The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists

► Management intention or expectation does not affect the classification of liabilities

► In cases where an instrument with a conversion option is classified as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current.

AASB 2022-6 provides further requirements regarding the first amendment by

► Clarifying that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current

► Adding presentation and disclosure requirements for non-current liabilities subject to compliance with future covenants within the next 12 months

► Clarifying specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date.

AASB 2020-1 amendments are effective for annual reporting periods beginning on or after 1 January 2024 and AASB 2022-6 amendments are effective for annual reporting periods beginning on or after 1 January 2023. These amendments are applied retrospectively, and earlier application is permitted.

AASB 2021-2 AASB 101 and AASB Practice Statement 2 - *Making Materiality Judgements – Disclosure of Accounting Policies*

The amendments to AASB 101 require disclosure of material accounting policy information, instead of significant accounting policies. Unlike 'material', 'significant' was not defined in Australian Accounting Standards. Leveraging the existing definition of material with additional guidance is expected to help preparers make more effective accounting policy disclosures. The guidance illustrates circumstances where an entity is likely to consider accounting policy information to be material. Entity-specific accounting policy information is emphasised as being more useful than generic information or summaries of the requirements of Australian Accounting Standards.

The amendments to AASB Practice Statement 2 supplement the amendments to AASB 101 by illustrating how the four-step materiality process can identify material accounting policy information. Earlier application of the amendments is permitted.

AASB 2021-6 Amendments to AAS's - *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*

To be consistent with the amendments made by AASB 2021-2 to accounting policy disclosures, the AASB amended specific Australian Accounting Standards to improve the usefulness of accounting policy disclosures. AASB 1060 was amended to highlight that information about the measurement bases for financial instruments is expected to be material.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

AASB 2021-2 Amendments to AASB 108 – *Definition of Accounting Estimates*

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The Trust is currently assessing the impact of the new and amended accounting standards to determine the impact these will have on the Trust's financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ('FVLCD') and its value in use. Consistent with prior periods, the recoverable amount for the Trust's property, plant and equipment is measured based on a FVLCD using a discounted cash flow model. The forecast cash flows that underpin the independent valuation include a number of assumptions whose determination requires judgement and input from technical specialists. These assumptions include the marginal loss factor ('MLF'), forecast black energy prices and discount rate. The measured valuation range is significantly affected by judgments in respect of these assumptions and, as detailed in Note 10, the FVLCD is significant affected by changes in these variables.

Based on the independent valuation, no impairment was required in the year ended 31 March 2023. In prior years, an impairment of $3.72 million was recognised.

Leases - estimating the incremental borrowing rate

The Trust cannot readily determine the interest rate implicit in its leases where it is the lessee. Therefore, it uses an incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Trust would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Trust would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Trust estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Trust's stand-alone credit rating).

		31 March 2023	31 March 2022
		$'000	$'000
4	**LEASE REVENUE AND OTHER INCOME**		
(a)	**Lease revenue**		
	Power purchase agreement revenue from electricity generation	**8,002**	**7,255**
(b)	**Other income**		
	Large-scale generation certificate income	**7,789**	**6,112**
5	**FINANCE COSTS**		
	Fees and charges	881	917
	Interest on amounts due to related parties	4,009	4,046
	Interest on leases	204	199
		5,094	**5,162**
6	**TRADE AND OTHER RECEIVABLES - CURRENT**		
	Trade receivables	263	833
	Prepaid expenses	117	162
	GST receivables	24	19
	Accrued revenue for electricity generated but unbilled at year end	546	546
		951	**1,560**

		31 March 2023	31 March 2022
		$'000	$'000
7	**DUE FROM RELATED PARTIES - NON CURRENT**		
	Adani Renewable Asset Holdings Pty Ltd	781	240
	Adani Renewable Asset Holdings Trust	177	-
	Adani Rugby Run Finance Pty Ltd	1,078	1,170
	Adani Renewable Asset Trust	9	-
	Adani Renewable Assets Pty Ltd	3	3
	Adani Rugby Run Pty Ltd	1	-
	Adani Mining Pty Ltd	90	-
	Amounts due from related parties	**2,139**	**1,413**
8	**INVESTMENT IN ASSOCIATE - AT COST**		
	Adani Rugby Run Finance Pty Ltd - 100% shareholding (2022: 100%)	**1**	**1**

The Trust has a full shareholding in Adani Rugby Run Finance Pty Ltd ('ARRFPL'). Since the Trust does not in itself have the ability to control ARRFPL, consolidated financial statements are not prepared by the Trust and the shareholding is recognised by the Trust as an investment at cost in its separate financial statements.

9	**CAPITAL WORK IN PROGRESS**		
	Opening balance	87	1,061
	Additions during the year	585	162
	Capitalised to property, plant and equipment	(546)	(1,136)
	At the end of the year	**126**	**87**
10	**PROPERTY, PLANT AND EQUIPMENT**		
	Plant and machinery - at cost	121,697	121,151
	Less: accumulated impairment loss	(3,720)	(3,720)
	Less: accumulated depreciation	(17,727)	(12,893)
	Written down value	**100,250**	**104,538**
	Reconciliation of carrying amounts at the beginning and end of the year		
	Opening balance	104,538	108,204
	Capitalised from capital work in progress	546	1,136
	Less: depreciation expense	(4,834)	(4,802)
	At the end of the year	**100,250**	**104,538**

Impairment testing is based on an estimate of fair value less cost to disposal ('FVLCD'). The determination of FVLCD is most sensitive to the following key assumptions:

► The marginal loss factor ('MLF')

► Forecast black energy prices for electricity not currently contracted under the Trust power purchase agreement ('PPA') and after the cessation of the PPA in 2031

► Discount rate

At 31 March 2023, the FVLCD of the Rugby Run Solar Project approximates the carrying amount of the associated property, plant and equipment. Given FVLCD approximates carrying amount of the Rugby Run Solar Project at 31 March 2023, reasonably possible changes in key assumptions may result in impairment in future periods.

10 PROPERTY, PLANT AND EQUIPMENT (continued)

The MLF assumed for the project was based on an independent technical expert's assessment and the FVLCD uses a net MLF of 92.45% over the project life. The forecast black energy price (excluding energy covered under the Power Purchase Agreement) used in the valuation model is A$56.22/MWh. The discount rate used by the valuer was 7.39%.

A sensitivity analysis has determined that:

- ► A 10% reduction in MLF would decrease the FVLCD by $12.04 million;
- ► A 10% reduction in the forecast black energy price would decrease the FVLCD by $6.10 million; and
- ► A 1% increase in discount rate would decrease the FVLCD by $7.98 million.

	31 March 2023	31 March 2022
	$'000	$'000
11 INTANGIBLE ASSETS		
Large scale generation certificates valued at marked to market	**561**	**578**
12 TRADE AND OTHER PAYABLES		
Trade creditors and accruals	563	760
Accrued interest on a loan from a related party	328	331
	891	**1,091**

13 LEASES

The Trust has a lease contract with a Adani Mining Pty Ltd, a related party, for land used in its operations. The lease term is 30 years.

(a) Carrying amount of right of use asset recognised		
At the beginning of the year	3,891	4,041
Depreciation expense	(149)	(150)
At the end of the year	**3,742**	**3,891**
(b) Carrying amount of lease liability recognised		
At the beginning of the year	4,302	4,321
Accretion of interest	198	199
Payments made during the year	(218)	(218)
At the end of the year	**4,283**	**4,302**
Current	**32**	**25**
Non-current	**4,251**	**4,277**
(c) Amounts recognised in profit or loss		
Depreciation expense of right of use asset	149	150
Interest expense on lease liabilities (included in Finance costs)	198	199
Total amount recognised in profit or loss	**347**	**349**
Total cash outflows for leases during the year	**218**	**218**
(d) Maturity analysis of future lease payments		
Not later than one year	228	223
Later than one year and not later than five years	972	948
Later than five years	6,447	6,699
	7,647	**7,870**

14 LOANS	31 March 2023 $'000	31 March 2022 $'000
(a) Non-interest bearing loans		
Adani Renewable Asset Trust	**51,212**	**55,777**
(b) Interest-bearing loan		
Adani Rugby Run Finance Pty Ltd*	76,850	77,350
Less deferred borrowing costs	(990)	(1,580)
	75,860	**75,770**
Classified as:		
Interest-bearing loan - current	400	500
Interest-bearing loan - non-current	75,460	75,270
	75,860	**75,770**

* Adani Rugby Run Finance Pty Ltd ('ARRFPL'), a related entity of the Trust), entered into an $79.5 million Australian dollar denominated loan note subscription agreement dated 21 November 2019. The facility matures 2 December 2024 and has a fixed interest rate of 5.1% (2022: 5.1%) per annum, payable quarterly.

The loan notes are secured by a first ranking security over all assets of ARRFPL and Adani Rugby Run Pty Ltd in its personal capacity and in its capacity as trustee of the Trust, including a mortgage over the lease held by the Trust.

ARRFPL has entered into a back-to-back loan agreement with the Trust, whereby the interest and principal balances of the loan notes payable are recharged to the Trust. The inter-entity loan payable to ARRFPL bears an interest rate of 5.2% (2022: 5.2%) per annum, payable quarterly.

15 UNITS ON ISSUE	31 March 2023 $'000	31 March 2022 $'000
Issued		
1000 Units of $1 each	**1**	**1**

There were no movements in units on issue during the year (2022: nil).

16 RELATED PARTY DISCLOSURES

(a) Parent entities

The Trust is owned by the following entities:

Name and place of incorporation	Type	Ownership interest	
		31 March 2023	31 March 2022
Adani Renewable Asset Trust, Australia	Immediate parent entity	100%	100%
Adani Enterprises Ltd, India	Ultimate parent entity and controlling party	100%	100%

There were no transactions between the Trust and Adani Enterprises Ltd during the financial year (2022: nil).

	Year ended 31 March 2023	Year ended 31 March 2022
	$'000	$'000
(b) Transactions with other related parties		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:		
Recharge of expenses	**(1,171)**	**(800)**
Finance costs	**(5,386)**	**(4,310)**

The Trust has a lease contract with Adani Mining Pty Ltd for land used in its operations (refer Note 13)

(c) Outstanding balances arising from sales of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(i) Non-current receivables		
Other related parties - refer to note 7 for terms and conditions	**2,139**	**1,413**
(ii) Current payables		
Other related parties - accrued interest (refer to note 12)	**328**	**331**

(d) Loans from related parties

(i) Loan from Adani Renewable Asset Trust (immediate parent entity)*		
Beginning of the year	55,777	56,792
Loan repayments	(4,565)	(1,015)
Closing balance	**51,212**	**55,777**
(ii) Loans from an associate*		
Beginning of the year	75,770	76,230
Loan repayments	(500)	(1,050)
Prepaid expenses	590	590
Closing balance	**75,860**	**75,770**

* Refer to note 14 for terms and conditions.

(e) Compensation of key management personnel

The Trust received key management personnel services provided by other related entities.

	31 March 2023 $'000	31 March 2022 $'000

17 AUDITOR'S REMUNERATION

The auditor of Adani Rugby Run Trust is Ernst & Young Australia.

Amounts received or due and receivable by Ernst & Young Australia for an audit or review of the financial report of the Trust	**46**	**60**

18 OTHER MATTER

During the year ended 31 March 2023, a short seller issued a report alleging certain issues against the ultimate parent company Adani Enterprises Limited ('AEL') and its related entities. These allegations have been refuted by AEL and its related entities in its detailed response submitted to Bombay Stock Exchange and National Stock Exchange on 29 January 2023. The Trust has assessed that no material financial adjustment arises to the Trust's financial information for the year ended 31 March 2023 or any prior period with respect to the allegations (including matters detailed in Note 2(a)(ii) to the financial report).

To uphold the principles of good governance, AEL has undertaken review of transactions referred to in the short seller's report through an independent law firm. The report confirms AEL's compliance with applicable laws and regulations. Further, in the context of the short seller's report, a petition was filed with the Honourable Supreme Court of India, and the Securities and Exchange Board of India ('SEBI') is examining compliance with laws and regulations by conducting enquiries regarding related party transactions and other allegations against AEL and its related entities.

19 COMMITMENTS

(a) Power Purchase Commitments

The Trust has entered into a 12-year Power Purchase Agreement to 31 December 2030 whereby the arrangement is treated as an operating lease with the Trust as lessor. The lease has varying terms and escalation clauses.

Future minimum lease payments expected to be received in relation to the operating leases are as follows:		
Within one year	4,421	4,343
Later than one year but not later than five years	23,315	22,906
Later than five years	8,723	13,553
	36,459	**40,802**

(b) Capital commitments

Estimated capital expenditure contracted for at balance date but not provided for:

Capital expenditure	**1,800**	**1,022**

20 CONTINGENT LIABILITIES

Guarantees issued by the banks on behalf of the Trust amount to $10.0 million (2022: $10.5 million).

21 SUBSEQUENT EVENTS

There have been no other matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect the Trust's operations, the results of those operations or the Trust's state of affairs in financial years after the financial year ended 31 March 2023.

Adani Rugby Run Trust
Trustee's declaration

In accordance with a resolution of the directors of Adani Rugby Run Pty Ltd as the trustee of Adani Rugby Run Trust, we state that:

In the directors' opinion:

(a) The financial statements and notes of the Adani Rugby Run Trust for the financial year ended 31 March 2023 are in accordance with the Trust Deed, including:

  (i) giving a true and fair view of the Trust's financial position as at 31 March 2023 and of its performance for the year then ended on that date; and

  (ii) complying with *Australian Accounting Standards- Simplified Disclosures* and the *Corporations Regulations 2001* .

(b) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Adani Rugby Run Pty Ltd



Samir Vora
Director

Brisbane, 1 May 2023

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Independent auditor's report to the unitholder of Adani Rugby Run Trust

Opinion

We have audited the financial report of Adani Rugby Run Trust (the Trust), which comprises the statement of financial position as at 31 March 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Trustee's declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as of 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards - Simplified Disclosures and the Trust Deed dated 29 August 2017.

Basis for opinion

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

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

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

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

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

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

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

Other Matter

We draw attention to Note 18 Other Matters in the financial report which describes allegations made by a short seller on Adani Enterprises Limited as ultimate parent of the company and its related entities which has been refuted by Adani Enterprises Limited and its related entities. Our opinion is not modified in respect of this matter.

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Responsibilities of the trustee for the financial report

The Trustee of the Trust is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the Trust Deed dated 29 August 2017 and for such internal control as the Trustee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.

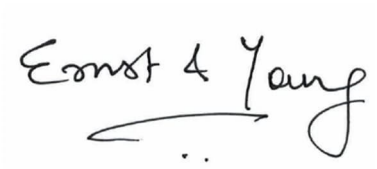
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

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

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



Ernst & Young
Brisbane
1 May 2023

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