
DBCT HOLDINGS PTY LTD

ACN 096 395 783

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

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DIRECTORS' REPORT

The directors submit the following report for the year ended 30 June 2015 made in accordance with a resolution of the Board of Directors.

DIRECTORS

The names of the directors of DBCT Holdings Pty Ltd (DBCTH) in office during or since the end of the financial year are as follows:

Current directors	Appointed	Resigned
G Bradley (Chairman)	10 August 2012	
P Noble	18 August 2011	
J Frazer	18 August 2011	
K Millman	18 May 2012	
L Gordon	10 August 2012	22 August 2014
M Curtis	28 August 2014	

No directors held any interest in shares or options of DBCTH.

PRINCIPAL ACTIVITIES

The principal activity of DBCTH during the year was to act as a corporate vehicle through which the Queensland Government owns and leases the assets comprising the Dalrymple Bay Coal Terminal. There were no significant changes in the nature of the above activities during the financial year.

REVIEW AND RESULTS OF OPERATIONS

The net profit of DBCTH for the financial year was \$206 955 (2014: \$212 810).

DIVIDENDS

No dividends were declared or paid during the year (2014: nil).

EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of DBCTH, the results of those operations or the state of affairs of DBCTH in future financial years.

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

There are no known matters or circumstances which are likely to significantly affect the operations or results of DBCTH in the future.

PERFORMANCE IN RELATION TO ENVIRONMENTAL LEGISLATION

The operations of the Dalrymple Bay Coal Terminal are subject to environmental regulation under both Commonwealth and State legislation.

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In accordance with the Framework Agreement and Port Services Agreement, the risks and benefits and day-to-day management of the Dalrymple Bay Coal Terminal, including environmental management reside with the lessee of the terminal, DBCT Investor Services Pty Ltd as trustee of the DBCT Trust.

The directors of DBCTH maintain monitoring oversight of environmental issues in relation to the Terminal.

The directors are not aware of any significant breaches of environmental regulations, during or since the end of the financial year.

DIRECTORS' REMUNERATION

No income was paid or made available to any director of DBCTH during the year (2014: nil), however independent directors are remunerated as part of their directorship in the parent entity, Queensland Treasury Holdings Pty Ltd.

INDEMNIFICATION OF OFFICERS AND AUDITORS

DBCTH has not, during the financial year, in respect of any person who is, or has been, an officer or auditor of DBCTH or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

The State has entered into deeds indemnifying the current and a number of the former company officers for certain liabilities which they may incur by reason of acting as an officer of DBCTH.

The auditor of DBCTH for the year ended 30 June 2015 is the Auditor-General of Queensland.

INSURANCE PREMIUMS

DBCTH has procured Directors' and Officers' liability run-off insurance for the prior directors through to 22 October 2018.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 5.

ROUNDING OF AMOUNTS

DBCTH is a kind of entity referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded to the nearest thousand dollars, unless stated to be otherwise.

Signed in accordance with a resolution of the Board of Directors.



G Bradley
Chairman

04 August 2015

AUDITOR'S INDEPENDENCE DECLARATION

To the directors of DBCT Holdings Pty Ltd

This audit independence declaration has been provided pursuant to s 307C of the *Corporations Act 2001*.

Independence Declaration

As lead auditor for the audit of DBCT Holdings Pty Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been –

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



M KEANE CA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Notes	2015 \$000	2014 \$000
Income			
Interest revenue	3	7 732	8 216
Amortisation of unearned revenue		319	310
Lease income		38	37
Total income		8 089	8 563
Expenses			
Interest expense	4	7 395	7 860
Other finance costs		11	11
Operating lease rentals		356	347
Administration expenses	5	120	132
Total expenses		7 882	8 350
Net profit for the year		207	213
Total comprehensive income attributable to the owners of DBCT Holdings Pty Ltd		207	213

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

BALANCE SHEET

As at 30 June 2015

	Notes	2015 \$000	2014 \$000
Current Assets			
Cash and cash equivalents	6	10 399	10 541
Lease receivables	7	9 025	9 217
Prepayments	8	127	133
Other receivables		44	2
Total Current Assets		19 595	19 893
Non-Current Assets			
Lease receivables	7	139 277	148 303
Total Non-Current Assets		139 277	148 303
TOTAL ASSETS		158 872	168 196
Current Liabilities			
Payables		199	193
Interest-bearing liabilities	9	9 025	9 217
Deferred income	10	325	320
Total Current Liabilities		9 549	9 730
Non-Current Liabilities			
Interest-bearing liabilities	9	139 277	148 303
Deferred income	10	3 044	3 368
Total Non-Current Liabilities		142 321	151 671
TOTAL LIABILITIES		151 870	161 401
NET ASSETS		7 002	6 795
Equity			
Contributed equity	11	-	-
Retained earnings		7 002	6 795
TOTAL EQUITY		7 002	6 795

The above Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Total Equity \$000
Balance at 1 July 2013	6 582
Profit for the year	213
Balance at 30 June 2014	<u>6 795</u>
 Balance at 1 July 2014	 6 795
Profit for the year	207
Balance at 30 June 2015	<u>7 002</u>

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Notes	2015 \$000	2014 \$000
Cash flows from operating activities			
Interest received – lease and novation		7 395	7 860
Interest paid – lease and novation		(7 395)	(7 860)
Interest received on investments		337	356
GST received from the ATO		698	861
GST paid to the ATO		(696)	(652)
Receipts from customers		38	37
Payments to suppliers and employees		(519)	(526)
Net cash (used in) / provided by operating activities	12	(142)	76
Cash flows from investing activities			
Lease payments received		1 116	1 064
Novation payments received		8 101	8 891
Net cash provided by investing activities		9 217	9 955
Cash flows from financing activities			
Repayment of borrowings – QTC		(9 217)	(9 955)
Net cash used in financing activities		(9 217)	(9 955)
Net (decrease) / increase in cash and cash equivalents held		(142)	76
Cash and cash equivalents at beginning of financial year		10 541	10 465
Cash and cash equivalents at end of financial year	6	10 399	10 541

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

Notes to and forming part of the financial statements for the year ended 30 June 2015

1. General Information

The financial report of DBCT Holdings Pty Ltd (DBCTH) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 04 August 2015.

DBCTH acts as a corporate vehicle through which the Queensland Government owns and leases the assets comprising the Dalrymple Bay Coal Terminal. DBCTH is wholly owned by Queensland Treasury Holdings Pty Ltd (QTH).

DBCTH is a for profit company incorporated and domiciled in Brisbane, Australia. The address of its registered office is Level 6, 123 Albert Street, Brisbane.

DBCTH has entered into the following long-term leases with Brookfield Infrastructure Partners LP:

- Plant Lease
- Onshore Sub-lease
- Offshore Sub-sub-lease
- Road Sub-sub-lease

Brookfield Infrastructure Partners LP accounts for the majority of the revenue earned by DBCTH in the form of interest payments received on rental and novation leases.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented in these financial statements.

(a) Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Basis of measurement

The financial statements have been prepared using the historical cost convention, as modified by fair value measurement where applicable.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is DBCTH's functional currency.

Use of judgments and assumptions

DBCTH has made judgements and assumptions around the deferral and proportional amortisation of revenue. Refer note 2(g & h).

Comparative figures

Comparative figures have been adjusted, where necessary, to conform to changes in presentation in the current year.

(b) Cash and cash equivalents

For the purposes of the Balance Sheet and Statement of Cash Flows, cash includes cash at bank and deposits at call. Cash and short term deposits are stated at net realisable value.

Notes to and forming part of the financial statements for the year ended 30 June 2015

2. Summary of significant accounting policies (continued)

(c) Recognition and derecognition of financial assets and liabilities

Financial assets and financial liabilities are recognised on the Balance Sheet when DBCTH becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by DBCTH.

A financial liability is removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expires.

(d) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Payments made under operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item are recognised as an expense on a straight-line basis over the term of the lease.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

Finance leases

Leases where DBCTH transfers substantially all the risks and rewards of ownership of the leased item to the lessee are classified as finance leases. A receivable at an amount equal to the present value of the lease payments is recognised.

The difference between the gross receivable and the present value of the receivable is finance income which is recognised over the term of the lease using the effective interest method.

(e) Receivables

Finance lease receivable

Finance leases, in which DBCTH is the lessor, are recognised in the Balance Sheet as receivables. They are recorded on the commencement of the lease at the net investment in the lease, being the present value of the minimum lease payments receivable.

The revenue attributable to finance leases is brought to account in the Statement of Comprehensive Income based on a constant periodic rate of return on the net investment in the finance lease.

Novation receivable

The novation receivable whereby DBCTH purchased the rights and obligations under the User Agreements for the provision of coal handling services is recorded at commencement of the arrangement being the present value of the minimum novation payments receivable.

The revenue attributable to the novation receivable is brought to account in the Statement of Comprehensive Income based on a constant periodic rate of return on the net investment in the novation.

Notes to and forming part of the financial statements for the year ended 30 June 2015

2. Summary of significant accounting policies (continued)

(f) Interest-bearing liabilities

Borrowings are initially measured at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial liability.

Borrowing costs are expensed as incurred.

(g) Deferred income

The deferred income represents the gain on the leasing arrangements for Dalrymple Bay Coal Terminal which was deferred and is amortised in proportion to the related lease payments.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Interest revenue

Interest revenue is recognised using the effective interest rate method and is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(i) Income tax

The directors have obtained professional advice that DBCTH has a tax-exempt status, and these financial statements have been prepared on this basis.

(j) Goods and services tax (GST)

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

- where the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO), 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, and
- receivables and payables which are stated with the amount of GST included.

(k) New accounting standards and interpretations

A number of new and amended accounting standards are mandatory for the first time for the year ended 30 June 2015. The adoption of these standards or interpretations did not have any significant impact on the financial statements or the performance of DBCTH.

Certain new accounting standards and interpretations have been published that are effective for annual periods beginning after 1 July 2015 and have not been applied in preparing these financial statements. DBCTH's assessment of the impact of standards and interpretations on issue but not yet effective is that they are not expected to have any significant impact on the financial statements or performance of DBCTH. However, the pronouncements may result in changes to how information is currently disclosed in the financial statements. DBCTH does not plan to early adopt any of these standards.

Notes to and forming part of the financial statements for the year ended 30 June 2015

	2015	2014
	\$000	\$000
3. Interest revenue		
Interest - QTC Cash Fund	337	356
Interest - Other corporations	7 395	7 860
	7 732	8 216
4. Interest expense		
Interest expense – novation loan	2 041	2 454
Interest expense – lease loan	5 354	5 406
	7 395	7 860
5. Administration expenses		
Audit fees	9	10
Professional fees	48	48
Company secretariat and accounting services – QTC	45	49
Insurance	9	9
Other	9	16
	120	132
6. Cash and cash equivalents		
Cash at Bank	-	1
QTC Cash Fund	10 399	10 540
	10 399	10 541
7. Lease receivables		
Current		
Lease receivable	1 163	1 116
Novation receivable	7 862	8 101
	9 025	9 217
Non-Current		
Lease receivable	109 674	110 838
Novation receivable	29 603	37 465
	139 277	148 303
Total		
Lease receivable	110 837	111 954
Novation receivable	37 465	45 566
	148 302	157 520

DBCT HOLDINGS PTY LTD

ABN 57 096 395 783

Notes to and forming part of the financial statements for the year ended 30 June 2015

	2015	2014
	\$000	\$000
7. Lease receivables (continued)		
Lease receivable		
<i>Finance leases</i>		
Minimum lease payments		
- Not later than one year	6 471	6 471
- Later than one year and not later than five years	25 882	25 882
- Later than five years	201 932	208 403
Minimum lease commitments receivable at balance date ^(a)	<u>234 285</u>	<u>240 756</u>
Less: future finance charges	<u>(123 448)</u>	<u>(128 802)</u>
Total lease receivable	<u>110 837</u>	<u>111 954</u>
Present value of minimum lease payments		
- Not later than one year	6 281	6 281
- Later than one year and not later than five years	22 328	22 328
- Later than five years	82 228	83 345
	<u>110 837</u>	<u>111 954</u>
^(a) These lease commitments receivable represent payments due from the primary lessee under the Plant lease, On-shore sub-lease, Off-shore sub-sub-lease and Road sub-sub-lease. The terms of the Plant lease and On-shore sub-lease are 50 years each, with options to renew for a further 49 years, while the Off-shore sub-sub-lease and Road sub-sub-lease terms are 99 years each. There are no guaranteed residuals for any of the leases.		
Novation receivable		
Minimum lease payments		
- Not later than one year	9 521	10 143
- Later than one year and not later than five years	32 582	34 728
- Later than five years	-	7 375
Minimum novation payments receivable at balance date ^(b)	<u>42 103</u>	<u>52 246</u>
Less: future finance charges	<u>(4 638)</u>	<u>(6 680)</u>
Total novation receivable	<u>37 465</u>	<u>45 566</u>
Present value of minimum lease payments		
- Not later than one year	9 243	9 847
- Later than one year and not later than five years	28 222	30 079
- Later than five years	-	5 640
	<u>37 465</u>	<u>45 566</u>
^(b) The novation receivable represents payments owing to North Queensland Bulk Ports Corporation Limited from DBCT Management Pty Ltd which has been novated to DBCT Holdings Pty Ltd. The novation payments to be made are set out in the Framework Agreement, with the final payment to be made on 30 June 2020.		
8. Prepayments		
Operating lease rentals	101	98
Insurance	26	35
	<u>127</u>	<u>133</u>

Notes to and forming part of the financial statements for the year ended 30 June 2015

	2015	2014
	\$000	\$000
9. Interest-bearing liabilities		
Borrowings secured by a fixed and floating charge		
Current		
Lease loan – QTC ^(a)	1 163	1 116
Novation loan – QTC ^(b)	7 862	8 101
	9 025	9 217
Non-current		
Lease loan – QTC ^(a)	109 674	110 838
Novation loan – QTC ^(b)	29 603	37 465
	139 277	148 303

- ^(a) The long-term Lease Loan from Queensland Treasury Corporation (QTC), a related party, is for a period of 50 years, unless terminated earlier. Interest on the loan is fixed at 4.8% per annum, calculated on the daily balance and payable in arrears on each date lease payments are made. The increase in the balance outstanding for the current period is due to a reduction in the interest component and a corresponding increase in the principal component of the scheduled repayments over time.

A first ranking registered fixed and floating charge has been granted by DBCTH in favour of QTC over all the assets and undertakings of DBCTH.

- ^(b) The long-term Novation Loan from QTC is for a period of 20 years, unless terminated earlier. Interest on the loan is fixed at 4.8% per annum, calculated on the daily balance and payable in arrears on each date lease payments are made.

A first ranking registered fixed and floating charge has been granted by DBCTH in favour of QTC over all the assets and undertakings of DBCTH.

10. Deferred income

Current		
Sub lease on land	325	320
	325	320
Non-current		
Sub lease on land	3 044	3 368
	3 044	3 368

Notes to and forming part of the financial statements for the year ended 30 June 2015

11. Contributed equity

(a) Issued and paid up capital

	2015	2014
	\$	\$
Issued and paid up		
2 ordinary class shares	2	2
	<u>2</u>	<u>2</u>

(b) No movement has occurred in the number of shares on issue for the year.

(c) Terms and conditions of contributed equity

Ordinary shares

Ordinary shareholders have the right to receive dividends as declared and, in the event of a winding up of DBCTH, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of DBCTH.

12. Reconciliation of profit to cash flows from operating activities

	2015	2014
	\$000	\$000
Net profit for the year	207	213
Adjusted for non-operating activities		
Amortisation of unearned income	(319)	(310)
Changes in assets and liabilities		
Decrease in prepayments	6	7
(Increase) / decrease in other receivables	(42)	162
Increase in payables	6	4
Net cash (used in) / provided by operating activities	<u>(142)</u>	<u>76</u>

Notes to and forming part of the financial statements for the year ended 30 June 2015

	2015	2014
	\$000	\$000

13. Expenditure commitments

Lease expenditure commitments

Operating leases:

Minimum lease payments

- Not later than one year	400	394
- Later than one year and not later than five years	1 600	1 576
- Later than five years	14 490	14 677

Aggregate lease expenditure contracted for at balance date	16 490	16 647
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These commitments represent payments due for the On-shore lease, Off-shore sub-lease, Road sub-lease and Land leases. The payments have not been discounted and exclude any future year escalations for CPI increases or projected outgoings which are provided for under the terms of each lease.

14. Related party transactions

(a) Ultimate controlling entity

Queensland Treasury Holdings Pty Ltd (QTH) is the sole shareholder of DBCTH. The ultimate parent entity of DBCTH is the State of Queensland.

(b) Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of DBCTH, being members of the board of directors.

(c) Compensation - directors

Compensation includes income paid or payable, or otherwise made available, in respect of the financial year, to all directors of DBCTH. No income was paid to or made available to any director of DBCTH during the financial year; however independent directors are remunerated in the parent company, Queensland Treasury Holdings Pty Ltd.

(d) Compensation – other officers

DBCTH does not employ any other officers. All administration is out-sourced to Queensland Treasury Corporation (QTC), a related party. QTC charges a fee for these services (refer to note 14 (e)).

Notes to and forming part of the financial statements for the year ended 30 June 2015

14. Related party transactions (continued)

(e) Other related party transactions

During the year the following transactions were undertaken between DBCTH and related parties. All transactions were at normal commercial terms and conditions unless otherwise stated.

Queensland Treasury Corporation (QTC)

- QTC has a 40% shareholding in Queensland Treasury Holdings Pty Ltd (QTH), the sole shareholder of DBCTH.
- At 30 June 2015 an amount of \$110 837 404 (2014: \$111 953 504) remains outstanding on the Lease Loan. Interest on the Lease Loan is fixed at 4.8% per annum. The term of the Lease Loan is 50 years, unless terminated earlier. Interest charged on the Lease Loan during the year ended 30 June 2015 amounted to \$5 354 405 (2014: \$5 406 409).
- At 30 June 2015, an amount of \$37 465 158 (2014: \$45 566 355) remains outstanding on the Novation Loan. Interest is fixed on the loan at a rate of 4.8% per annum. The term of the Novation Loan is 20 years, unless terminated earlier. Interest charged on the loan during the year amounted to \$2 041 361 (2014: \$2 453 866).
- QTC provides company secretariat and accounting services to DBCTH. Total fees of \$45 331 (2014: \$49 330) (exclusive of GST) were charged for these services during the year.
- Funds invested with the QTC Cash Fund as at 30 June 2015 totalled \$10 398 840 (2014: \$10 540 347) and interest net of management fees received during the year totalled \$326 055 (2014: \$344 999).

15. Remuneration of auditor

	2015	2014
	\$	\$
Amount paid, or due and payable, to the Auditor-General of Queensland for:		
Audit of accounts	9 000	9 500

Notes to and forming part of the financial statements for the year ended 30 June 2015

16. Financial risk management

DBCTH's activities expose it to a variety of financial risks including market risk, liquidity risk and credit risk. DBCTH manages these exposures in accordance with internal financial risk management policies.

(a) Market risk***Interest rate risk***

DBCTH is exposed to interest rate risk through its investment in the QTC Cash Fund. DBCTH is not exposed to interest rate risk through its borrowings with QTC, as these are fixed rate loans (refer note 9).

(b) Liquidity risk

Liquidity risk is the risk that DBCTH will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

DBCTH is exposed to liquidity risk in the normal course of business and through its borrowings from QTC however this is mitigated by back to back arrangements whereby DBCTH's debt obligations are matched by the receipt of lease payments from the primary lessee (refer notes 7 & 9).

The following table analyses the financial liabilities held by DBCTH into relevant maturity periods based on the remaining period at reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows, except for payables which are shown at their carrying value.

Contractual payments	0 to 1 year \$000	1 to 5 years \$000	Over 5 years \$000	Total contractual cash flows \$000	Carrying amount \$000
As at 30 June 2015					
Financial Liabilities					
Payables	199	-	-	199	199
Interest-bearing liabilities	15 992	58 464	201 932	276 388	148 302
	16 191	58 464	201 932	276 587	148 501

As at 30 June 2014

Financial Liabilities					
Payables	193	-	-	193	193
Interest-bearing liabilities	16 613	60 610	215 779	293 002	157 520
	16 806	60 610	215 779	293 195	157 713

Notes to and forming part of the financial statements for the year ended 30 June 2015

16. Financial risk management (continued)

(c) Credit risk

Credit risk is the risk of financial loss in the event a counterparty to a financial instrument fails to meet its contractual obligations. The maximum credit risk exposure of DBCTH is represented by the carrying amounts of assets recognised in the Balance Sheet.

DBCTH's primary exposure to credit risk is through its investment in the QTC Cash Fund. The lease receivable is backed by a deposit held in the QTC Cash Fund on behalf of the primary lessee to meet its obligations under the lease.

(d) Fair values of assets and liabilities

The fair value of financial assets and financial liabilities held at balance date are represented by their carrying values.

The fair values of Interest-bearing liabilities and Lease receivables offset due to back to back arrangements whereby DBCTH's debt obligations are matched by lease payments received from the primary lessee.

(e) Fair value hierarchy

The fair value hierarchy has not been produced as no valuation techniques have been applied. Financial assets held at balance date represent short term receivables or the realisation of balances of cash holdings. Cash holdings are primarily in the QTC Cash Fund and fair value is based on the current redemption value. For the purposes of the fair value hierarchy, these financial assets are classified as Level 2.

17. Events subsequent to balance date

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of DBCTH, the results of those operations or the state of affairs of DBCTH in future years.

DIRECTORS' DECLARATION

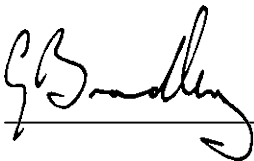
The directors of DBCT Holdings Pty Ltd declare that:

The financial statements and notes set out on pages 6 to 20 are in accordance with the *Corporations Act 2001*, including:

- a. complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- b. give a true and fair view of the financial position as at 30 June 2015 and of its performance for the financial year ended on that date.

In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors and is signed for and on behalf of the directors by:



G Bradley
Brisbane
04 August 2015

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DBCT Holdings Pty Ltd

Report on the Financial Report

I have audited the accompanying financial report of DBCT Holdings Pty Ltd, which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

In conducting the audit, the independence requirements of the *Corporations Act 2001* have been complied with. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of DBCT Holdings Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In my opinion, the financial report of DBCT Holdings Pty Ltd is in accordance with the *Corporations Act 2001*, including –

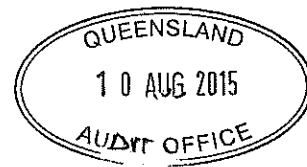
- (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



M KEANE CA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane