



Walsh Bay Partners Global Infrastructure Fund

ABN 69 827 532 218

Special Purpose Financial Statements

For the Year Ended 30 June 2021

Walsh Bay Partners Global Infrastructure Fund

ABN 69 827 532 218

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Walsh Bay Partners Global Infrastructure Fund

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Investment income			
Interest income		2,896	23,499
Other income		82,178	193,663
Net gains on financial instruments at fair value through profit or loss	5	2,057,984	1,590,640
Net foreign exchange (loss)/gain		(440,014)	195,046
Management fee rebates		3,835	7,223
Total investment income		1,706,879	2,010,071
Expenses			
Administrative expenses		(50,594)	(61,182)
Professional fees		(83,958)	(90,866)
Audit fees		(18,415)	(17,680)
Management fees		(301,372)	(267,892)
Taxation fees		-	(2,448)
Total expenses		(454,339)	(440,068)
Net operating profit for the year		1,252,540	1,570,003
Finance costs attributable to unitholders			
Distribution to unitholders		-	-
Net profit for the year		1,252,540	1,570,003
Other comprehensive income		-	-
Total comprehensive profit for the year attributable to unitholders		1,252,540	1,570,003

The accompanying note form part of these financial statements.

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Statement of Financial Position As at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash	3(b)	4,629,420	2,196,190
Trade and other receivables	4	6,949	58,987
Term deposit		602,343	2,853,754
Total current assets		5,238,712	5,108,931
Non-current assets			
Financial assets held at fair value through profit or loss	5	32,371,269	27,735,386
Total non-current assets		32,371,269	27,735,386
Total assets		37,609,981	32,844,317
LIABILITIES			
Current liabilities			
Trade and other payables	6	70,569	74,960
Total current liabilities		70,569	74,960
Total liabilities (excluding net assets attributable to unitholders)		70,569	74,960
Net assets attributable to unitholders - liability		37,539,412	32,769,357

The accompanying notes form part of these financial statements.

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Statement of Changes in Net Assets Attributable to Unitholders For the Year Ended 30 June 2021

	For the year ended 30 June 2021	For the year ended 30 June 2020
Total net assets attributable to unitholders at the beginning of the financial year	32,769,357	25,260,936
Profit for the year	1,252,540	1,570,003
Total comprehensive income	1,252,540	1,570,003
Applications	3,517,515	5,670,080
Distribution re-investment	-	268,338
Transactions with owners in their capacity as owners	3,517,515	5,938,418
Total net assets attributable to unitholders at the end of the financial year	37,539,412	32,769,357

The accompanying notes form part of these financial statements.

Walsh Bay Partners Global Infrastructure Fund

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Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Notes	\$	\$
Cash flows from operating activities:		
Payments to suppliers, including trustee and management fees	(490,451)	(433,855)
Interest received	83,002	207,042
Management fee rebates from investments	3,437	7,223
Net cash flows used in operating activities	(404,012)	(219,590)
	3(a)	
Cash flows from investing activities:		
Payments for investments at fair value through profit or loss	(2,527,786)	(3,976,585)
Proceeds/(Payments) from/for term deposit	2,045,195	(370,593)
Net cash flows used in investing activities	(482,591)	(4,347,178)
Cash flows from financing activities:		
Proceeds from applications by unitholders	3,548,700	5,670,080
Distribution paid to investors	-	(9,208)
Net cash flows provided by financing activities	3,548,700	5,660,872
Net increase in cash and cash equivalents held	2,662,097	1,094,104
Cash and cash equivalents at beginning of the year	2,196,190	1,020,064
Foreign exchange (loss)/gain	(228,867)	82,022
Cash and cash equivalents at end of the year	4,629,420	2,196,190
	3(b)	

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 General information

Reporting Entity

These financial statements are for Walsh Bay Partners Global Infrastructure Fund (the "Fund") as an individual entity. The Fund is a for-profit unregistered trust established and domiciled in Australia. The Trustee of the Fund is Evolution Trustees Limited (ACN 611 839 519) (the "Trustee"). The financial report was authorised for issue on 07 December 2021 by the Trustee.

The registered office of and principal place of business of the Trustee Company is at Suite 703 B, Level 7, 1 York Street Sydney NSW 2000.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation

The Trustee has determined that the Fund is not a reporting entity. The financial statements are special purpose financial statements which have been prepared in accordance with the recognition and measurements specified by all Australian Accounting Standards and Interpretations to satisfy the reporting requirements of the Fund as specified in the trust deed.

The financial statements have been prepared on an accrual basis and are based on historical cost unless otherwise stated in the notes. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

The functional and presentation currency of the Fund is Australian dollars.

(b) Adoption of new and revised accounting standards

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the Fund:

- AASB 2018 7 *Amendments to Australian Accounting Standards – Definition of Material*, and

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if its could reasonably be expected to influence decisions made by the primary users.

- Adoption of AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-profit and Not-for-profit Tier 2 Entities.

Adoption of AASB 1060 will result in the Fund reporting general purpose financial statements. Further, there will be additional disclosure requirements which primarily impact related parties, and financial instruments.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Significant accounting policies (continued)

(b) Adoption of new and revised accounting standards (continued)

The Fund has not opted for early adoption of AASB 1060 ahead of its mandatory effective date of July 1, 2021. Instead the Fund has remained using Special Purpose Financial Statement and per AASB 2020-2 will be required to transition from this to first time adoption of AASB 1060 from July 2021. Therefore the disclosure requirement has no significant impact on the financial statement for the current period.

The adoption of the new and revised Standards and Interpretations, as listed above have not had a material impact on the Fund's presentation of or disclosures in its financial statements.

(c) Revenue

Investment Income

Interest on cash and cash equivalents is recognised on an accrual basis.

Changes in fair value for financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(e).

Other income is recognised on an accrual basis.

(d) Expenses

All expenses including management and trustee fees, and other outgoings are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accrual basis.

(e) Financial instruments

(i) Classification

- Financial Assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Trustee to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Significant accounting policies (continued)

(e) Financial instruments (continued)

(i) Classification (continued)

- Financial Assets (continued)

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (due to brokers, distributions payable, management fees payable, audit and tax fees payable, administration fees payables and custodian fees payable).

(ii) Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets and financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expired.

(iii) Measurement

Financial instruments at fair value through profit or loss.

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured according to their classification.

Investments in unlisted unit trusts and limited partnerships are recorded at the redemption value per unit and capital attributed to the limited partners, respectively, as reported by the managers of such investments. For investments in private companies where observable market prices in active markets, such as quoted values or recent comparable trades, are not available or do not exist, securities are valued using appropriate valuation techniques as reasonably determined by the managers of such investments.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Significant accounting policies (continued)

(e) Financial instruments (continued)

(iv) Impairment

At each reporting date, the Fund shall measure the loss allowance on financial assets at amortised cost (cash, due from broker and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(f) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders (if any) as at the end of each reporting period is recognised separately in the Statement of Financial Position when unitholders are presently entitled to the distributable income under the Fund's Trust Deed.

(g) Income tax

Under the current legislation, the Fund is not liable for income tax provided its taxable income is fully distributed to unitholders.

(h) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC), hence, investment administration fees and other expenses have been recognised in the Statement of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position. Cash Flows relating to GST are included in the Statement of Cash Flows on a gross basis.

(i) Receivables

Receivables may include amounts for interest and trust distributions. Trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

(j) Net assets attributable to unitholders

Each unitholder is entitled to a pro-rata share of the net assets of the Fund upon liquidation. The Fund exists for a limited life and unitholders are presently entitled at the end of the financial period to the distributable income of the Fund for that period. Accordingly, net assets attributable to unitholders are classified as a financial liability rather than equity, and presented as a non-current liability called "Net Assets Attributable to Unitholders", which is measured at fair value.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Significant accounting policies (continued)

(k) Distributions

In accordance with the Fund's Trust Deed, the Fund distributes income adjusted for amounts determined by the Trustee and the Investment Manager, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs attributable to unitholders.

(l) Increase/decrease in net asset attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs.

(m) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(n) Critical judgments and significant accounting estimates

The preparation of financial statements requires the directors of the Trustee to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected.

(i) Fair value estimation

Investments in Ausbil Global Essential Infrastructure Fund, Macquarie Australian Infrastructure Trust 1, Macquarie Australian Infrastructure Trust 2, MIRA Infrastructure Global Solution L.P. and MIRA Infrastructure Global Solution L.P. are carried at values that are based on assumptions and estimates. These investments in unlisted funds are recorded at the redemption value per unit and capital attributed to the unitholders/limited partners, respectively, as reported by the managers of such investments. In completing the review of manager valuations, the Investment Manager applies the International Private Equity and Venture Capital Valuation Guidelines as endorsed by the Australian Private Equity & Venture Capital Association Limited. To the extent that the Fund owns investments for which observable market prices in active markets do not exist, the amount determined to be fair value of the investment may incorporate the manager's own assumptions (including assumptions that the manager believes market participants would use in valuing the investment and assumptions relating to appropriate risk adjustments for non-performance and lack of marketability). The methods used to estimate the fair value of such investments include the market approach and the income approach, each of which involve a significant degree of judgement. These investments in certain instances, may also be valued at cost for a period of time after an acquisition when the manager determines it is the best indicator of fair value. Due to the inherent uncertainty of manager valuations, those estimated fair values may differ significantly from the fair values that would have been used had an active market for the securities existed, and the differences in fair value could be material.

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Notes to the Financial Statements For the Year Ended 30 June 2021

3 Cash

(a) Reconciliation of net profit to net cash flows used in operating activities

	2021	2020
	\$	\$
Net profit for the year	1,252,540	1,570,003
Net gains on financial instruments held at fair value through profit or loss	(2,057,984)	(1,590,640)
Interest income from term deposit	(4,929)	(11,562)
Unrealised foreign exchange gain	52,133	26,363
Realised foreign exchange gain/(loss)	306,582	(204,503)
Changes in assets and liabilities:		
- Decrease/(Increase) in trade and other receivables	52,037	(18,083)
- (Decrease)/Increase in accrued expenses	(4,472)	22,296
- Increase/(Decrease) in trade payables	81	(13,464)
Net cash flows used in operating activities	(404,012)	(219,590)

(b) Reconciliation of cash

	2021	2020
	\$	\$
Cash in bank	4,629,420	2,196,190
Total cash	4,629,420	2,196,190

4 Trade and other receivables

	2021	2020
	\$	\$
<i>Current</i>		
GST receivables	6,884	6,349
Other receivables	65	2,923
Distribution receivables	-	49,715
Total trade and other receivables	6,949	58,987

5 Financial assets held at fair value through profit or loss

	2021	2020
	\$	\$
Opening balance	27,735,386	21,956,198
Investment acquired during the period	2,577,899	4,188,548
Change in fair value	2,057,984	1,590,640
Closing balance at the end of the year	32,371,269	27,735,386

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Notes to the Financial Statements For the Year Ended 30 June 2021

5 Financial assets held at fair value through profit or loss (continued)

Table below shows the investments and the fair value as at 30 June 2021.

	2021	2020
	\$	\$
Ausbil Global Essential Infrastructure Fund	3,751,202	-
Macquarie Australian Infrastructure Trust 1	10,985,600	10,650,143
Macquarie Australian Infrastructure Trust 2	6,656,462	5,850,650
MIRA Infrastructure Global Solution L.P. I	6,607,439	6,812,575
MIRA Infrastructure Global Solution L.P. II	4,370,566	4,422,018
Total	32,371,269	27,735,386

6 Trade and other payables

	2021	2020
	\$	\$
<i>Current</i>		
Trade payables	3,447	3,366
Accrued expenses	67,122	71,594
Total trade and other payables	70,569	74,960

7 Units on issue

	2021	2020	2021	2020
	Units	Units	\$	\$
Fully paid units on issue	31,685,571	28,496,248	33,105,114	29,587,599

During the financial period ended 30 June 2021, 3,189,323 units were issued to its unitholders at an average price of \$1.1029 (2020: 5,435,327 units at an average price of \$1.0926).

8 Remuneration of auditor

	2021	2020
	\$	\$
Remuneration of the auditor (EY) for:		
- auditing or reviewing the financial statements	18,415	17,680
Remuneration for tax services (EY)	8,883	8,883
Total	27,298	26,563

9 Contingent liability

As at 30 June 2021, there is no contingent liability (2020: \$55,457).

10 Events occurring after the reporting date

The Trustee is not aware of matters or circumstances that have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

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Trustee's Declaration

The Trustee has determined that the Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

The Trustee declares that:

1. The financial statements present fairly the Fund's financial position as at 30 June 2021 and its performance for the year in accordance with the accounting policies described in Note 2 to the financial statements; and
2. In the Trustee's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of the Trustee:

Director

Ben Norman

Dated: 7th December 2021



**Building a better
working world**

Independent Auditor's Report to the unitholders of Walsh Bay Partners Global Infrastructure Fund

Opinion

We have audited the financial report, being a special purpose financial report, of Walsh Bay Partners Global Infrastructure Fund (the "Fund"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of Walsh Bay Fund as of 30 June 2021, and its financial performance and its cash flows for the period then ended in accordance with the financial reporting requirements as described in Note 2 to the financial statements.

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

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

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note 2 of the financial report which describes the basis of accounting. The financial report is prepared to assist Evolution Trustees Limited as the Trustee of the Fund (the "Trustee") to meet the requirements of the Trust Deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Trustee, the Fund and its unitholders (the "Recipients") and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustee for the Financial Report

The directors of the Trustee of the Fund are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the Trust Deed and is appropriate to meet the needs of the unitholders. The Trustee's responsibility also includes 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 Fund'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 Fund 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 skepticism 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 Fund'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 Fund'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 Fund 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.

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
Sydney
7 December 2021