

# Appendix 4E

## Preliminary Final Report – Year ended 30 June 2010

<b>Name of entity</b>	<b>AURORA GLOBAL INFRASTRUCTURE INCOME TRUST</b>
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<b>ABN/ARSN:</b>	127 692 406
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<b>1</b>	Previous corresponding period	30 June 2009
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### RESULTS FOR ANNOUNCEMENT TO THE MARKET

		% Up/Down	A\$'000
<b>2.1</b>	Revenues from continuing operations	912%	\$1,113
<b>2.2</b>	Profit for the year	397%	\$730
<b>2.3</b>	Net profit for year attributable to members	397%	\$730

<b>2.4</b>	<b>Distribution (dividends)</b>	
	30 June 2010 Final Distribution	2.50 c (cash)

<b>2.5</b>	Record date for determining entitlements to the distribution	30 June 2010
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<b>2.6</b>	<p>A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood:</p> <p>The Trust earns revenue from the revaluation of investments, dividend and interest income and call option premium. Investments are held as trading stock and are revalued to net market valuation and any realised or unrealised gains or losses are taken to account in the period in which they occur. The exposure to the investments may be directly or through equity derivatives.</p> <p>Taxable income will differ from accounting income primarily because dividends are only included when received for taxable income, investments are held at cost when calculating taxable income, and the initial costs of establishing the Trust and raising Trusts are amortised over 5 years when calculating taxable income.</p>
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		2010	2009
<b>3</b>	Net tangible assets per security	\$1.143	\$8.238
	The NTA for 2010 has been calculated after 7 for 1 split		

**ANNUAL GENERAL MEETING**

The annual meeting will be held as follows: Not applicable

**COMPLIANCE STATEMENT**

This report is based on accounts to which one of the following applies:

- 1. The accounts have been audited.
- 2. The accounts are in the process of being audited or subject to review.
- 3. The accounts have been subject to review.
- 4. The accounts have not yet been audited or reviewed.

There are sections in the attached report which are currently incomplete and will be completed in the final report.

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# **Aurora Global Infrastructure Income Trust**

ARSN 127 692 406

(formerly Aurora Infrastructure Buy-Write Income Trust)

## **CONSOLIDATED ANNUAL REPORT**

**For the year ended 30 June 2010**

**Contents**

	<b>Page</b>
Directors' report	2
Auditor's independence declaration	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the consolidated financial statements	10
Directors' declaration	25
Independent auditors report	26
Corporate Governance Statement	28
Unit holder information	30

## Directors' report

The directors of Aurora Funds Management Limited (ABN 69 092 626 885), the responsible entity of Aurora Global Infrastructure Income Trust ("the Trust"), present their report together with the financial statements of the Trust and the auditors report, for the year ended 30 June 2010.

### Principal activities

The Trust was constituted on 5 October 2007 and commenced operations on 18 December 2007.

The principal activities of the Trust during the half-year were establishing its investment strategy in equities and derivatives, in accordance with the provision of the Trust Constitution.

The Trust and Consolidated Entity did not have any employees during the year.

### Directors

The following persons held office as directors of Aurora Funds Management Limited during the year or since the end of the year and up to the date of this report:

Alastair Davidson  
 Richard Matthews  
 Hugh Latimer (resigned 31 December, 2009)  
 Simon Lindsay  
 John Corr (appointed 9 July 2010)  
 Steuart Roe (appointed 9 July 2010)  
 Oliver Morgan (resigned 9 July 2010)  
 Anthony Jones (resigned 9 July 2010)

### Review of operations

The investment policy of the Trust continues to be that detailed in the current product disclosure document and in accordance with the provisions of the governing documents of the Trust.

The performance of the Trust, as represented by the results of its operations, was as follows:

	Consolidated 30 June 2010 \$	30 June 2009 \$
Net profit/(loss) attributable to unit holders	730,236	(245,697)
<i>Distributions recommended</i>		
Distribution paid and payable	1,160,828	1,596,390
Distribution (cents per unit) 30 September	2.29	-
Distribution (cents per unit) 31 December	2.50	57.00
Distribution (cents per unit) 31 March	2.50	-
Final Distribution (cents per unit) 30 June	2.50	33.00

### Financial Position

#### *Net Tangible Assets per unit as disclosed to the ASX*

Net Tangible Assets per unit as disclosed to the ASX (excluding distribution, and after split) are shown as follows:

	Consolidated 30 June 2010 \$	30 June 2009 \$
At 30 June	1.143	8.238
High during period	1.178	9.644
Low during period	1.143	8.132

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**Impact of applying Australian equivalents to international financial reporting standards (AIFRS)**

**Unitholders' funds**

AIFRS requires net assets attributable to unitholders to be classified and disclosed as a liability in the Statement of Financial Position.

**Significant changes in state of affairs**

On 17 August 2009, the assets of the Trust were moved into a wholesale Trust (the Aurora Wholesale Infrastructure Trust) and the Trust was issued units in that Trust. The Trust changed its name from the Aurora Infrastructure Buy Write Income Trust on 1 December 2009 to the Aurora Global Infrastructure Income Trust, and the units were split on the basis of 7 new units for every 1 existing unit on the same date. The Trust commenced paying quarterly distributions on September 30, 2009. Apart from these changes, there were no significant changes in the state of affairs of the Trust in the period to the date of this report.

Aurora Funds Management Limited was acquired on 9 July 2010 by Aurora Funds Limited (an ASX listed entity). Apart from this, there have been no items, transactions or events of a material and/or unusual nature which, in the opinion of the directors, would impact on the financial position or state of affairs of the Trust in future financial years.

**Likely developments and expected results of operations**

Further information on likely developments in the operation of the Trust and the expected results of those operations have not been included in this report because the responsible entity believes it would be likely to result in unreasonable prejudice to the Trust.

**Summary of Investment Management Agreement**

On 1 February 2010, the Trust entered into a novation deed to effect the transfer of the Investment Management Agreement (IMA) from Talon Infrastructure Pty Ltd to Long Tail Asset Management Pty Ltd ('Long Tail'). The term of the IMA has been amended to allow either party to terminate the IMA on 60 Business Days notice. Please refer to the current Product Disclosure Statement for more details on the management contract.

**Interests in the Trust**

The movement in units on issue in the Trust during the period is disclosed in Note 14 of the financial statements.

The units on issue in the Trust during the period is set out below:

	<b>Consolidated 30 June 2010 No.</b>	<b>30 June 2009 No.</b>
<b>Units on issue</b>	<u>11,452,820</u>	<u>1,759,738</u>
<b>Value of assets</b>	\$	\$
Net Value of Trust assets	<u>13,080,827</u>	<u>14,489,946</u>

The net value of the Trust's assets and liabilities is disclosed on the Statement of Financial Position and derived using the accounting basis set out in Note 2 of the financial statements. The Trust issues and redeems units at the prevailing net tangible asset at the end of each calendar month. The total number of units issued and redeemed during the year is disclosed in Note 14.

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### Fees Paid to the Responsible Entity and Investment Manager

Fees paid to the Responsible Entity and Investment Manager out of the Trust's assets during the year are as follows:

	Consolidated Year Ended 30 June 2010 \$	Year Ended 30 June 2009 \$
Management Fee	314,597	354,164

### Interests Held by the Responsible Entity and Directors

There were no units of the Trust held by the Responsible Entity or its associates or by Directors at the date of this report.

### Remuneration report

The responsible entity of Aurora Global Infrastructure Income Trust is Aurora Funds Management Limited. Key management personnel are the executive directors of Aurora Funds Management Limited. The key management remuneration disclosures required under AASB 124 are provided in the financial statements of the responsible entity.

### Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

### Indemnification and Insurance of Aurora Funds Management Limited and Auditors

Aurora Funds Management Limited is entitled to recover the cost of insurance from the assets of the Trust, as capped by the cost recovery. No insurance premiums are paid for out of the assets of the Trust in relation to insurance cover provided to the auditors of the Trust. So long as the officers of Aurora Funds Management Limited act in accordance with the Scheme Constitution and the Corporations Act, the officers remain indemnified out of the assets of the Trust against any losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

### Proceedings on behalf of Trust

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The Trust was not a party to any such proceedings during the year.

### Auditors' independence declaration

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

This report is made in accordance with a resolution of the directors.



Alastair Davidson

Director

Date: 31 August 2010

**Auditor's Independence Declaration**

As lead auditor for the audit of Aurora Global Infrastructure Income Trust for the year ended 30 June 2010, 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.

This declaration is in respect of Aurora Global Infrastructure Income Trust.

PKF

PKF



**Tim Sydenham**

**Partner**

**Sydney**

**31 August 2010**

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**Consolidated Statement of Comprehensive Income**

	Note	Consolidated Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
<b>Income</b>			
Foreign income	3	389,752	-
Interest income	4	76,617	62,867
Net profit on financial instruments at fair value through profit and loss	5	646,776	46,791
Other income		49	-
<b>Total income</b>		<b>1,113,194</b>	<b>109,658</b>
<b>Expenses</b>			
Responsible entity's fees	20	314,597	354,164
Other administration costs	6	67,206	1,030
Finance costs		1,155	161
<b>Total operating expenses</b>		<b>382,958</b>	<b>355,355</b>
<b>Profit/(Loss) attributable to unit holders</b>		<b>730,236</b>	<b>(245,697)</b>
Distributions to unit holders	16	(1,160,828)	(1,596,390)
Decrease in net assets attributable to unit holders	14	430,592	1,842,087
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>-</b>	<b>-</b>

This Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes accompanying these financial statements.

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## Consolidated Statement of Financial Position

	Note	Consolidated As at 30 June 2010 \$	As at 30 June 2009 \$
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	8	2,649,898	634,856
Trade and other receivables	9	134,871	61,457
Financial assets held at fair value through profit and loss	10	10,731,139	14,518,860
<b>Total assets</b>		<b>13,515,908</b>	<b>15,215,173</b>
<b>CURRENT LIABILITIES</b>			
Distributions payable	16	293,930	588,539
Financial liabilities held at fair value through profit and loss	13	217	-
Trade and other payables	11	140,934	136,688
<b>Total liabilities (excluding net assets attributable to unit holders)</b>		<b>435,081</b>	<b>725,227</b>
<b>Net assets before liabilities attributable to unit holders</b>	14	<b>13,080,827</b>	<b>14,489,946</b>
<b>Total liabilities attributable to unit holders</b>		<b>(13,080,827)</b>	<b>(14,489,946)</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>

This Consolidated Statement of Financial Position is to be read in conjunction with the Notes accompanying these financial statements.

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**Consolidated Statement of Changes in Equity**

	Consolidated As at 30 June 2010 \$	As at 30 June 2009 \$
<b>Total equity at the beginning of the period</b>	-	-
Total comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	-	-
Transactions with equity holders in their capacity as equity holders	-	-
<b>Total equity at the end of the period</b>	-	-

Under AIFRS, net assets attributable to unit holders are classified as a liability rather than equity. As a result there was no equity at the start or end of the period.

This Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes accompanying these financial statements.

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**Consolidated Statement of Cash Flows**

	Note	Consolidated Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		27,508,253	68,933,633
Purchase of investments		(23,065,165)	(64,358,187)
Interest received		121,701	17,834
Dividend income		271,021	-
Interest paid		(1,155)	(161)
GST recovered		(8,092)	6,840
Investment managers fees paid		(306,884)	(398,443)
Performance fee paid		-	(18,715)
Payment of other expenses		(67,206)	(1,030)
<b>Net cash inflow from operating activities</b>	19	<b>4,452,473</b>	<b>4,181,771</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		265,434	273,371
Payments for redemptions by unitholders		(1,247,429)	(2,285,963)
Distributions paid		(1,455,436)	(1,795,745)
<b>Net cash (outflow) from financing activities</b>		<b>(2,437,431)</b>	<b>(3,808,337)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,015,042</b>	<b>373,434</b>
Cash and cash equivalents at beginning of the year	19	634,856	261,422
<b>Cash and cash equivalents at the end of the year</b>		<b>2,649,898</b>	<b>634,856</b>

This Consolidated Statement of Cash Flows is to be read in conjunction with the Notes accompanying the financial statements.

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## 1 Introduction

Aurora Global Infrastructure Income Trust was constituted on 5 October 2007 and commenced operations on 18 December 2007 and was admitted to the Australian Stock Exchange ("ASX") on 24 December 2007, and is domiciled in Australia.

The financial reports cover the consolidated entity of the Aurora Global Infrastructure Income Trust (the Trust) and the entity it controls, the Aurora Wholesale Infrastructure Trust (the Consolidated Entity).

It is recommended that these consolidated financial statements are considered together with the current product disclosure document and in accordance with the provisions of the governing documents of the Trust, and any public announcements made by the Trust during the year ended 30 June 2010 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and ASX listing rules.

### Operation and principal activities

The principal activities of the Trust during the financial year was establishing its investment strategy in equities and index derivatives, and fixed interest securities in accordance with the provision of the Trust Constitution and the Product Disclosure Statement.

### Reporting period

The financial statements cover the financial period from 1 July 2009 to 30 June 2010. The comparatives cover the period from 1 July 2008 until 30 June 2009.

### Authorisation of financial report

The financial report was authorised for issue on 31 August 2010 by Alastair Davidson, Director of the responsible entity.

### Registered Office

The registered office of the Trust is at:  
Level 2,  
350 George St,  
Sydney, NSW 2000

## 2 Summary of significant accounting policies

### (a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures that financial statements and notes also comply with International Financial Reporting Standards.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where it has been prepared on an accruals basis and is based on historical costs. The functional currency of the Trust is measured using the currency of the primary economic environment in which the company operates. The financial statements are presented in Australian dollars and rounded to the nearest dollar, which are the Trust's functional and presentation currency.

As at year end the assets, liabilities of the controlled entity have been included in the consolidated financial statements as well as their results for the year. The directors have deemed that control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The controlled entity has a June financial year end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of the subsidiary has been changed where necessary to ensure consistencies with those policies applied by the parent entity.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements;

## (b) Financial instruments

### (i) Classification

The Trust's investments are categorised as at fair value through profit or loss category, which is comprised of:

- Financial instruments held for trading

These include derivative financial instruments including futures, forward contracts, options and interest rate swaps. All derivatives in a net receivable or payable position are shown gross and reported as either derivative financial assets or derivative financial liabilities. The Trust does not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These are investments in exchange traded equity instruments and equity derivative instruments.

The Trust may sell securities short in anticipation of a decline in fair value of that security. When the Trust sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale. At the reporting date, the liability for the obligation to replace the borrowed security is valued at the net fair value.

### (ii) Recognition

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

### (iii) Measurement

*Financial assets and liabilities held at fair value through the profit or loss*

Financial assets and liabilities held at fair value. Subsequent to initial recognition, all instruments held at fair value through profit or loss is measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

- Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

## (c) Net assets attributable to unit holders

Units are redeemable at the unit holders' option and are therefore classified as financial liabilities. The units can be put back to the Trust at any time for cash equal to a proportionate share of the Trust's net asset value. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the reporting date if unit holders exercised their right to put the units back to the Trust.

## (d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, AUD Futures Margin Account, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities. Cash inflows and outflows in relation to forward and options trading are reflected on a net basis in the statement of cash flows as this reflects the substance of the transactions.

## (e) Revenue recognition

Interest income on deposits held at call with banks is recognised as the interest accrues daily during each interest period and is payable in arrears on each interest payment date. Interest is accrued at the reporting date from the time of last payment.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an

expense. Dividends are accrued when the right to receive payment is established.

**(f) Distributions**

In accordance with the Trust Constitution, the Trust distributes in full its distributable income to unitholders by cash or reinvestment. The distributions are payable at 30 June and 31 December each year and are recognised as an expense in the Statement of Comprehensive Income.

The non-distributable amount payable to investors as at the reporting date is recognised separately on the Statement of Financial Position as unitholders are presently entitled to the distributable income as at 30 June 2010 under the Trust's Constitution.

**(g) Increase/decrease in net assets attributable to unitholders**

Non-distributable income is transferred directly to net assets attributable to unitholders and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net assets attributable to unitholders are classified and disclosed as a liability in the Statement of Financial Position.

Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax.

**(h) Trade and other receivables**

Receivables may include amounts for dividends, interest and securities sold where settlement has not yet occurred. Dividends are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

**(i) Trade and other payables**

Trades are recorded on trade date, and normally settled within three business days. Purchases of securities and investments that are unsettled at reporting date are included in payables.

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the reporting date.

The distribution amount payable to unit holders as at the reporting date is recognised separately on the Statement of Financial Position as unit holders are presently entitled to the distributable income as at 30 June 2010 under the Trust Constitution.

**(j) Applications and redemptions**

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

Unit redemption prices are determined by reference to the net assets of the Trust divided by the number of units on issue.

**(k) Income tax**

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed either by way of cash or reinvestment (i.e. unit holders are presently entitled to the income of the Trust).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trust is not subject to capital gains tax.

Realised capital losses are not distributed to unit holders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unit holders. The benefits of imputation credits and foreign tax paid are passed on to unit holders.

**(l) Goods and Services Tax (GST)**

The GST incurred on the costs of administration services provided by the responsible entity such as custodial services and investment management fees have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits (RITC's) at a rate of 75% hence investment management fees, custodial fees and other expenses have been recognised in the statement of 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 as expenses in the statement of cash flows on a gross basis.

**(m) Expenses**

All expenses, including responsible entity's fees and custodian fees, are recognised in the Statement of Comprehensive Income on an accruals basis. Borrowing costs are recognised as an expense in the period in which they are incurred.

**(n) New, revised or amending Standards and Interpretations**

The Trust has adopted all of the new, revised or amending Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant and effective for the current reporting period.

Any significant impact on the accounting policies of the Trust from the adoption of these accounting standards and interpretations are disclosed in the relevant accounting policy.

The adoption of these Standards and Interpretations did not have any impact on the financial performance or position of the Trust. The following Standards and Interpretations are most relevant to the Trust:

**AASB 101 Presentation of Financial Statements ('AASB 101')**

The consolidated entity has applied the revised AASB 101 from 1 July 2009 and now presents a statement of comprehensive income, which incorporates the income statement and all non-owner changes in equity. As a result, the Trust now presents all owner changes in the Statement of Changes in Equity. The balance sheet is now referred to as the Statement of Financial Position. There is a requirement to present a third Statement of Financial Position if there is restatement of comparatives through either a correction of error, change in accounting policy or a reclassification. The cash flow statement is now referred to as the Statement of Cash Flows.

**AASB 7 Financial Instruments: Disclosure ('AASB 7')**

This amended standard is applicable from 1 July 2009 and requires additional disclosure about fair value measurement of financial instruments, using a three level fair value hierarchy. The amendments also clarify the disclosure requirements about liquidity risks for derivative transactions and assets used for liquidity management.

**AASB 8 Operating Segments ('AASB 8')**

The consolidated entity has applied AASB 8, which replaces AASB 114 'Segment Reporting', from 1 July 2009. AASB 8 requires a management approach to segment reporting based on the information reported internally. Refer to note 7.

**(o) New standards and interpretations issued not yet effective**

As at the date of this report there are a number of new accounting standards and Interpretations that have been issued and are applicable to the Trust but are not yet effective for reporting periods ending on or prior to 30 June 2010, as provided below:

**AASB 9 Financial Instruments**

This standard includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The IASB plans to complete its work on financial liabilities during 2010 and will issue requirements for financial liabilities that will be included in AASB 9 in due course.

**AASB 1053 Application of Tiers of Australian Accounting Standards.**

This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

- a) Tier 1: Australian Accounting Standards; and
- b) Tier 2: Australian Accounting Standards – Reduced Disclosure

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

The following entities apply Tier 1 requirements in preparing general purpose financial statements:

- a) for-profit entities in the private sector that have public accountability (as defined in this Standard); and
- b) the Australian Government and State, Territory and Local Governments.

The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

- a) for-profit private sector entities that do not have public accountability;
- b) all not-for-profit private sector entities; and



- c) public sector entities other than the Australian Government and State, Territory and Local Governments.

Public accountability means accountability to those existing and potential resource providers and others external to the entity who make economic decisions but are not in a position to demand reports tailored to meet their particular information needs. A for-profit private sector entity has public accountability if:

- a) its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or
- b) it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. This is typically the case for banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks.

#### **AASB 2009-5 Amendments**

Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139], results from the International Accounting Standards Board's annual improvements project. The annual improvements project provides a vehicle for making non-urgent but necessary amendments to accounting standards.

The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The subjects of the principal amendments to the Standards are set out in the preface to the standard.

#### **AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]**

The amendment to AASB 8 requires an entity to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. This Standard also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB.

These amendments have no major impact on the requirements of the amended pronouncements.

#### **AASB 2010-4 Further Amendments to Australian Accounting standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13],**

The subjects of the principal amendments to the Standards are set out below:

AASB 1 First-time Adoption of Australian Accounting Standards

- Accounting policy changes in the year of adoption
- Revaluation basis as deemed cost
- Use of deemed cost for operations subject to rate regulation

AASB 7 Financial Instruments: Disclosures

- Clarification of disclosures

AASB 101 Presentation of Financial Statements

- Clarification of statement of changes in equity

AASB 134 Interim Financial Reporting

- Significant events and transactions

#### **(p) Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Trust's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **(q) Comparative Figures**

The financial statements cover the period from 1 July 2009 to 30 June 2010. The comparatives cover the period from 1 July 2008 until 30 June 2009. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The current year reflects Aurora Global Infrastructure Income Trust and the Aurora Wholesale Infrastructure Trust as a consolidated group from 17 August 2009, and the prior year reflects Aurora Global Infrastructure Income Trust as a single entity.

### 3 Dividend income

	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
Foreign Income	389,752	-
The value of franking credits received and receivable for the period is \$nil (2009 - \$nil)		

### 4 Interest income

	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
Interest income on cash and cash equivalents	76,617	62,867

### 5 Net gain/(loss) on financial instruments

	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
<b>Net gain/(loss) on financial instruments at fair value through profit and loss</b>	<b>\$</b>	<b>\$</b>
Net unrealised gain/(loss) on trading securities	(628,088)	-
Net unrealised gain/(loss) on derivatives	(217)	45,003
Net unrealised gain/(loss) on foreign currency	180,935	-
Net realised gain/(loss) on trading securities	(321,100)	-
Net realised gain/(loss) on derivatives	138,597	1,788
Net realised gain/(loss) on foreign currency	1,276,649	-
Total net gain/(loss) held at fair value through profit or loss	646,776	46,791

### 6 Other administration costs

	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
Foreign withholding tax	42,114	-
Bank charges	25,092	1,030
Total	67,206	1,030

#### Auditors remuneration - audit and review services

Fees for the services rendered to the Trust by the auditors are borne by the responsible entity. The auditor of the Trust is PKF.

## 7 Segment information

The Trust is organised into one main business segment which operates solely in the business of investment management within Australia. While the Trust operates from Australia only (the geographical segment), the Trust has asset exposures in different countries and across different industries. The Trust also invests in certain securities which are listed both on the Australian and international stock exchanges.

## 8 Cash & cash equivalents

	As at 30 June 2010 \$	As at 30 June 2009 \$
Cash at bank	2,649,898	634,856
Total	<u>2,649,898</u>	<u>634,856</u>

## 9 Trade and other receivables

	As at 30 June 2010 \$	As at 30 June 2009 \$
Interest receivable	90	45,870
Dividends receivable	119,475	-
Investments receivable	-	8,373
GST recoverable	15,306	7,214
Total	<u>134,871</u>	<u>61,457</u>

Dividend and interest payment terms are set by the payer. All trade and other receivables were not past due date and no allowance for impairment was required.

## 10 Financial assets held at fair value through profit and loss

	As at 30 June 2010 \$	As at 30 June 2009 \$
Shares in listed companies at market value	10,523,452	-
Equity swap derivatives	-	14,437,188
Equity futures/options	-	81,672
Foreign Currency forward contracts	207,687	-
Total	<u>10,731,139</u>	<u>14,518,860</u>

## 11 Trade and other payables

	As at 30 June 2010 \$	As at 30 June 2009 \$
Investment management fees payable	82,102	74,390
Applications not yet processed	-	5,000
Redemptions payable	58,832	57,298
Total	<u>140,934</u>	<u>136,688</u>

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Management fees, performance fees and expense recoveries are payable within 7 days of receipt of the invoice. Redemptions are usually payable within 20 days of the redemption date.

## 12 Bank Overdraft

	As at 30 June 2010 \$	As at 30 June 2009 \$
Bank overdraft	-	-

The Trust has a foreign exchange facility with Interactive Broker, and some of the Trust's assets will be pledged as collateral for amounts drawn under the facility.

## 13 Financial liabilities held at fair value through profit and loss

	As at 30 June 2010 \$	As at 30 June 2009 \$
Exchange traded options	217	-
Total	217	-

## 14 Net amounts payable to unit holders

Movements in number of units and net assets attributable to unit holders during the period were as follows:

As stipulated within the Trust Constitution, each unit represents a right to an individual portion of the net assets of the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

	As at 30 June 2010 No.	As at 30 June 2010 \$
<b>Net assets attributable to unit holders</b>		
Opening balance at 1 July 2009	1,759,738	14,489,946
Split of Units	10,583,532	-
Applications during the period	77,043	258,416
Redemptions during the period	(560,963)	(786,031)
Units in parent held by subsidiary	(406,530)	(450,912)
Transfer of non distributable income to unitholders	-	(430,592)
Closing balance at 30 June 2010	11,452,820	13,080,827
<hr/>		
	As at 30 June 2009 No.	As at 30 June 2009 \$
<b>Net assets attributable to unit holders</b>		
Opening balance at 1 July 2008	1,968,223	18,273,498
Applications during period	30,692	273,371
Redemptions during the period	(239,177)	(2,214,836)
Transfer of non distributable income to unit holders	-	(1,842,087)
Closing balance at 30 June 2009	1,759,738	14,489,946

The following rights and benefits are attached to the units on issue:

**Voting**

Voting is by a show of hands, unless a poll is demanded. The Corporations Act governs who can demand a poll and the value of each vote required to pass a resolution. The chair of the meeting has no casting vote.

**Transfer**

The Unit holders may transfer units using any form acceptable to the manager.

**Distributions**

The Trust intends to distribute all its distributable income each year to Unit holders.

**Distributions Re-investment Plan**

The Trust has established a Distribution Re-investment Plan (DRIP) for all distributions. The DRIP enables Unit holders to re-invest all or part of the distributions payable on their Units in additional units (refer to Note 21).

**Redemptions**

An investor may ask to exit the Trust at any time. When an investor exits the Trust, the investment manager redeems the investor's relevant units. Units can only be redeemed at the exit price. Subject to the Corporations Act and the listing rules if the listing rules apply, while the manager is not obliged to give effect to a redemption request, it may redeem some or all of the units which are the subject of the request.

**Winding up**

After paying or making allowances for all the anticipated liabilities, subject to the rights and obligations attaching to any class, the net proceeds must be distributed pro rata to investors according to the number of units they hold at termination.

**15 Capital Management**

The capital of the Trust is managed by an external manager, Long Tail Asset Management Pty Ltd, who is mandated to invest the Trust's capital according to the investment mandate as described in the current Product Disclosure Statement. The capital that is managed includes amounts owed to unit holders as above and any bank overdraft that may be drawn down to purchase investments. The maximum that may be drawn is 100% of the net tangible assets of the Trust at any time.

There are no externally imposed capital requirements, though the Australian Securities Exchange may delist the Trust if Net Tangible Assets falls below \$15 million. There have been no changes to the capital management policy during the year.

The gearing ratios of the Trust, the ratio of debt to unit holders funds, are as follows:

	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
Bank overdraft	-	-
Unit holders funds	13,080,827	14,489,946
Total Capital	13,080,827	14,489,946
Gearing ratio	0.0%	0.0%

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## 16 Distributions to unit holders

### Timing of distributions

The distributions are payable as follows:

	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
Distribution paid and payable	1,160,828	1,596,390
Distribution (cents per unit) 30 September	2.29	-
Distribution (cents per unit) 31 December	2.50	57.00
Distribution (cents per unit) 31 March	2.50	-
Final Distribution (cents per unit) 30 June	2.50	33.00

For the reasons set out in note 14 above, distributions to unit holders are recognised as an expense in the current period. Under Australian tax legislation, the Trust is obliged to distribute all taxable income to unit holders. Taxable income will differ from accounting income primarily because dividends are only included when received for taxable income, investments are held at cost when calculating taxable income, and the initial costs of establishing the Trust and raising money are amortised over 5 years when calculating taxable income.

The Trust has accounted for the payment of distributions to Unit holders as at 30 June 2010.

## 17 Derivative financial instruments

In the normal course the Trust enters into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Trust's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Trust against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Trust.

The Trust holds the following derivative instruments:

#### (a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are settled daily with the exchange.

#### (b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific

amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. Options held by the Trust are exchange-traded. The Trust is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value.

Exchange traded options comply with the conditions of the relevant clearing house. Foreign Exchange forwards are based on standard ISDA contracts.

The collateral margin held is \$nil (2009 - \$nil).

The Trust's derivative financial instruments buy and sell transactions for the period are detailed below:

**30 June 2010**

	Contracts	Maturity Less than 1 year	Fair Values	
			Assets \$	Liabilities \$
	No	No		
Foreign currency forward contracts	3	3	207,687	-
Exchange traded options	458	458	-	217

	Contracts	Maturity Less than 1 year	Fair Values	
			Assets \$	Liabilities \$
	No	No		
Equity swap	1	1	14,518,860	-

**18 Financial risk management**

*Financial Risk Management Policies*

The Trust is exposed to market price risk, interest rate risk, credit risk, and liquidity and cash flow risk arising from the financial instruments it holds. The principal financial instruments comprise equity securities, cash and equity derivatives, the purpose of which is to generate a return on the amounts owed to unit holders. The Responsible Entity reviews and agrees the risk management policies employed by the investment manager to manage these risks. There have been no changes to the exposure risks and the objectives, policies and processes for managing risks during the year. Each of the risks are discussed in more detail below:

**(a) Credit risk**

Credit risk arises from cash deposits with banks and amounts due from brokers. None of these assets are impaired.

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract. Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity.

The Trust has a forward foreign exchange facility with Interactive Brokers, and some of the Trust's assets will be pledged as collateral for amounts drawn under the overdraft facility.

There were no significant concentrations of credit risk to counterparties at 30 June 2010 and 30 June 2009. No individual investment, other than cash, exceeded ten percent of the net assets attributable to unit holders at 30 June

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2010 and 30 June 2009. The Trust only has a material credit risk exposure to the bank that holds the Trust's cash assets at 30 June 2010 and 30 June 2009.

**(b) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. There is no significant direct interest rate risk in the Trust as the Trust does not hold interest rate sensitive financial instruments. The interest rates on deposits at bank and on bank overdrafts are both floating rates referenced to the RBA cash rate.

There are no financial instruments held whose value at the reporting date are sensitive to interest rates, no sensitivity analysis on valuations has been performed. If interest rates had been 10% higher or lower for the entire reporting period, interest earned would be \$7,592 (2009 - \$6,287) higher or lower. A similar analysis on interest expense would have changed interest expense by plus or minus \$115 (2009 - \$nil) for the reporting period.

**(c) Liquidity and cash flow risk**

Liquidity risk is the risk that the Trust will experience difficulty in either realising assets or otherwise raising sufficient Trusts to satisfy commitments associated with financial liabilities. The Investment manager has the responsibility to manage the financial liabilities of the Trust which includes settling trade liabilities, upcoming distributions and monthly redemptions.

Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate. The risk management guidelines adopted by the investment manager are designed to minimise liquidity and cash flow risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments, and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

	Fixed interest rate			Total \$
	1 month or less \$	1 to 3 months \$	Over 3 months to 1 year \$	
<b>30 June 2010</b>				
<b>Liabilities</b>				
Distributions payable	293,930	-	-	293,930
Trade and other payables	140,934	-	-	140,934
<b>Total liabilities</b> (excluding net assets attributable to unit holders of the parent entity)	<u>434,864</u>	-	-	<u>434,864</u>
<b>Net assets attributable to unit holders</b>	<u>13,080,827</u>	-	-	<u>13,080,827</u>
<b>30 June 2009</b>				
<b>Liabilities</b>				
Distributions payable	588,539	-	-	588,539
Trade and other payables	136,688	-	-	136,688
<b>Total liabilities</b> (excluding net assets attributable to unit holders of the parent entity)	<u>725,227</u>	-	-	<u>725,227</u>
<b>Net assets attributable to unit holders</b>	<u>14,489,946</u>	-	-	<u>14,489,946</u>

**(d) Market price risk**

Market price risk is the risk that the value of the Trust's investment portfolio will fluctuate as a result of changes in market prices. This risk is managed by the Responsible Entity through ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits. Market price risk analysis is conducted regularly by the investment manager on a total portfolio basis, which includes the effect of derivatives.

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A sensitivity analysis of 10 per cent has been selected as this is considered reasonable given the current level of market price fluctuation. A 10 per cent increase in market price would increase the market value of the total portfolio at 30 June 2010 by \$1,017,540 (2009 - \$573,801). A 10% decrease in market price would increase the market value of the total portfolio by \$1,032,914 (2009 - \$573,801).

**(e) Foreign Exchange risk**

The Trust has limited exposure to foreign exchange risk. The principal invested in equities is hedged with 3-month forward foreign exchange contracts. Any gain or loss within the 3 month period is unhedged.

**(f) Net fair values of financial assets and financial liabilities**

The carrying amounts of financial assets and liabilities are shown in the Statement of Financial Position at their fair value.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss.

**(g) Fair value hierarchy**

The Trust has adopted the amendments to AASB 7, effective 1 July 2009. This requires the Trust to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2010. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

As at 30 June 2010	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>				
Financial assets held for trading:				
Shares held	10,523,452	-	-	10,523,452
Foreign currency forward contracts	-	207,687	-	207,687
<b>Financial liabilities</b>				
Financial liabilities held for trading:				
Derivatives	217	-	-	217

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Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. Unless otherwise stated the carrying value of financial instruments reflect their fair value.

**(h) Defaults and Breaches**

There were no defaults or breaches on any outstanding bank overdraft during the period

**19 Notes to the Statement of Cash Flows**

**(a) Reconciliation to cash at end of the period**

The cash balances per Note 8 are reconciled to cash as shown in the statement of cash flows at the end of the year as follows:

	<b>Consolidated</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Balances as above	2,649,898	634,856
<b>Balances per statement of cash flows</b>	<b>2,649,898</b>	<b>634,856</b>

**(b) Reconciliation of net profit to net cash inflow from operating activities**

	<b>Consolidated</b>	
	<b>Year ended</b>	<b>Year ended</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Net profit/(loss)	730,236	(245,697)
Proceeds from sale of financial instruments held at fair value through profit and loss ( including net realised gains/(losses))	26,405,735	68,945,217
Purchase of financial instruments held at fair value through profit and loss	(22,617,796)	(64,413,190)
Net change in trade and other payables	7,713	(57,993)
Net change in trade and other receivables	(73,415)	(46,566)
<b>Net cash inflow (outflow) from operating activities</b>	<b>4,452,473</b>	<b>4,181,771</b>

**(c) Undrawn borrowing facilities**

The Trust will be able to draw on a bank overdraft facility to the extent that certain leverage ratios remain in place. Currently this facility is still being negotiated.

**20 Related party transactions**

**Responsible entity**

The responsible entity of Aurora Global Infrastructure Income Trust is Aurora Funds Management Limited.

**Directors**

The names of persons who were executives or directors of Aurora Funds Management Limited at any time during the financial period were as follows:

- Alastair Davidson
- Richard Matthews
- Hugh Latimer (resigned 31 December, 2009)
- Simon Lindsay
- John Corr (appointed 9 July 2010)
- Steuart Roe (appointed 9 July 2010)

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Oliver Morgan (resigned 9 July 2010)  
Anthony Jones (resigned 9 July 2010)

### Remuneration report

The responsible entity of Aurora Global Infrastructure Income Trust is Aurora Funds Management Limited. Key management personnel are the executive directors of Aurora Funds Management Limited. The Key management remuneration disclosures required under AASB 124 are provided in the financial statements of the responsible entity.

### Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period, (2009:nil).

### Responsible entity's/manager's fees and other transactions

For the year ended 30 June 2010, in accordance with the Trust Constitution, the investment fee payable to the investment manager and investment adviser is the greater of 1.1275% of gross assets or 2.255% of net assets (GST inclusive, net of RITC) per annum of the Trust's Net asset value. This amount is calculated monthly and paid by the Trust at the end of each quarter, amounting to \$314,597 (2009 - \$354,164).

For the year ended 30 June 2010, in accordance with the Trust Constitution, a performance fee is payable to the investment manager based on the Trust's performance. A performance fee of 10.25% (GST Inclusive, net of RITC) per annum is applied to the total excess between the Total Unit Holder Return (TUR) and the UBS Australia Bank Index. A performance fee of \$nil is payable for the year (2009 - \$nil).

### Interests Held by the Responsible Entity and Directors

There were no units of the Trust held by the Responsible Entity or its associates or by Directors at the date of this report. (2009:1,524)

## 21 Distribution Re-investment Plan

The Trust has established a Distribution Re-investment Plan (DRIP) for all distributions. The DRIP enables all unit holders to reinvest all or part of the distributions payable on their units in additional units.

Eligible members may elect to participate in the DRIP in respect of all or part of their units in the Trust that will comprise that members DRIP Units. The issuer may in its absolute discretion accept or refuse any application to participate. The net cost of investing at that time will be the Net Asset Value per Unit for the Units on the record date or such other amount as the responsible entity may determine being not less than the Net Asset Value per Unit. All Units allotted and issued under DRIP will rank equally in all respects with existing units.

## 22 Contingent assets and liabilities

There were no contingent assets and liabilities at 30 June 2010 (2009 – nil).

## 23 Commitments for expenditure

There were no commitments for expenditure at 30 June 2010 (2009 - nil).

## 24 Events occurring after the reporting date

Aurora Funds Management Limited was acquired on 9 July 2010 by Aurora Funds Limited (an ASX listed entity). Apart from this, there have been no items, transactions or events of a material and/or unusual nature which, in the opinion of the directors, would impact on the financial position or state of affairs of the Trust in future financial years.

Except as disclosed in the financial report, no other matter or circumstance has arisen since 30 June 2010 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

For details on the performance of the Trust since 30 June 2010, please refer to the recent performance reports.

## 25 Information relating to the Parent Entity

Information relating to the parent entity, the Aurora Global Infrastructure Income Trust, is summarized below:

	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
<b>Current Assets</b>	306,485	15,215,173
<b>Total Assets</b>	13,408,498	15,215,173
<b>Current Liabilities</b>	352,763	725,227
<b>Total Liabilities</b>	352,763	725,227
<b>Net assets before liabilities attributable to unit holders</b>	13,055,735	14,489,946
<b>Profit /( loss) of the parent entity</b>	362,265	(245,696)
<b>Total comprehensive income of the parent entity</b>	-	-

The parent entity has no contingent assets and liabilities at 30 June 2010 (2009 – nil), no commitments for expenditure at 30 June 2010 (2009 - nil), and has not guaranteed any of the debts of its subsidiary.

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## Directors' declaration

The directors of the responsible entity declare that:

- (a) in the directors' opinion the financial statements and notes on pages 6 to 25, and the Remuneration report in the Directors' report, set out on page 4, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in note 2; and.
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable

The directors have been given the declarations by the Director responsible for preparing these reports for the financial year ended 30 June 2010, as required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors



Alastair Davidson  
Director  
Sydney, NSW

Date: 31 August 2010

## INDEPENDENT AUDITOR'S REPORT

To the members of Aurora Global Infrastructure Income Trust

### Report on the Financial Report

We have audited the accompanying financial report of Aurora Global Infrastructure Income Trust, which comprises the consolidated statement of financial position as at 30 June 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### *Directors' Responsibility for the Financial Report*

The directors of the Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian Equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial report 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 entity'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.

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

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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27

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*Auditor's Opinion*

In our opinion:

- (a) the financial report of Aurora Global Infrastructure Income Trust is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

PKF

PKF



**Tim Sydenham**

**Partner**

**Sydney**

**31 August 2010**

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## **Corporate Governance Statement**

### **Corporate Structure**

The Aurora Global Infrastructure Income Trust (the "Trust") is a registered Managed investment scheme under the Corporations Act 2001, and Aurora Funds Management Limited ("Aurora") is the Responsible Entity of the Trust.

A Responsible Entity (the "RE") of a scheme must perform the duties detailed in the Constitution of the Trust and those regulated by the Corporations Act. The duties of the RE include, amongst other things:

- Acting honestly
- Exercising a duty of care and diligence
- Act in the best interest of unit holders
- Treat unit holders equally where they hold the same class
- Treat unit holders fairly where they hold different classes
- Make sure the Trust property is valued at regular intervals
- Ensure that all payments from the Trust are in accordance with the Constitution
- Report any breaches that may have a material adverse impact on the interests of unit holders
- Make sure that information acquired through being the RE is not used to gain advantage for the RE or used to harm the interests of unit holders.

### **The Board**

The Board of Aurora Funds Management Limited is responsible for ensuring that the best corporate governance standards are applied. The names of the directors are set out in the Director's Report above. None of the directors are independent as all have an equity interest, either directly or indirectly, in the shares of Aurora. These directors each have a number of years of experience in the funds management industry, the duties of the RE and in the Trust. The independence obligations of the Board are fulfilled by the Compliance Committee, which is detailed below.

The RE has an established code of conduct which covers Directors and staff, and is available at Aurora's website at [www.aurorafunds.com.au](http://www.aurorafunds.com.au). This code of conduct, together with the Compliance Committee Charter, also covers Aurora's compliance with legal obligations and the interest of other stakeholders.

In addition, the RE operates the Trust as a scheme under the Corporations Act and therefore the RE must comply with the Compliance Plan lodged with ASIC prior to units in the Trust being issued. The Corporate Governance of the Trust is regulated by the Compliance Committee, which must have a majority of independent members. The Compliance Committee operate under a Compliance Committee charter, and is responsible for monitoring the RE's compliance with the Compliance Plan and reporting any breaches to the Board of the RE and ASIC. It is also responsible for reviewing the operations on the RE.

### **The Compliance Committee**

The Compliance Committee for the RE comprises:

- Mr Alastair Davidson (internal member and CEO of Aurora)
- Mr David Lewis (external)
- Mr Mark Hancock (external)

Mr David Lewis is a qualified actuary and has over 38 years experience in financial services, predominantly in administration and consulting to fund management companies. David serves on the compliance committees of a number of Responsible Entities.

Mr Mark Hancock is a qualified actuary and has over 26 years experience in the securities and funds management industry. Mark has significant applied research experience in Australian Equity markets accumulated from a variety of roles over a period of some 18 years. He was previously an equity portfolio manager with NRMA and MMI Insurance.

The external members of the Compliance Committee are nominated and remunerated by the RE. The committee is convened and serviced by Aurora's compliance manager and COO, Richard Matthews. The Compliance Committee Charter is available at Aurora's website [www.aurorafunds.com.au](http://www.aurorafunds.com.au).

The Chair of the Compliance Committee rotates amongst the three members. Meetings are held quarterly and all members have access

- to the books and records and any other relevant information on the Trust and the RE, including all the staff of the RE
- The auditors of the RE
- The auditors of the Trust and
- The auditor of the Compliance Plan



## Financial Reporting

The auditor of the Compliance Plan must be different from the auditor of the RE and the Trust and both report independently to the Compliance Committee. The CEO and COO provide written sign off to the board and the compliance committee on the veracity of the financial reporting systems and the risk management procedures outlined below.

The RE Board reviews the results of the of the external audit process of the Trust and the Compliance Plan to ensure:

- That the Compliance Plan and Trust auditor are appropriately qualified, and legally eligible to act at all times
- That the terms of their appointment are appropriate and accord with the Corporations Act
- That the auditors have access to all relevant information as required
- That the auditors conduct all enquiries and provide all reports as required by the Corporations Act

The external auditors are invited to attend board and compliance meetings where financial reports and compliance plan audits are discussed.

## Public Disclosure

The Board believes that market sensitive information should be released as quickly as possible and has policies in place to ensure that the Trust meets its disclosure obligations under the ASX Listing Rules.

## Rights of Unit holders

The Constitution of the Trust and the Corporations Act governs the rights of unit holders, including their rights to the income and assets of the Trust. The RE is not required to hold an annual general meeting of unit holders, however a meeting may be called by unit holders with at least 5% of the votes that may be cast on a resolution or by 100 unit holders who are entitled to vote.

The RE runs an extensive website that provides all publically available information to unit holders that ensures compliance with the general principles of "good reporting" and compliance with our statutory obligations, under Corporations Act, ASIC, and ASX regulations.

## Risk Management and Oversight

The RE manages risks in the Trust through the following methods:

- Appointment of an appropriately qualified external asset manager, reviewed quarterly
- Appointment of appropriately qualified service providers, such as registry, administration and custody
- Compliance with all of ASIC's and ASX's policies and guidelines
- Recording and reporting complaints by unit holders

The Compliance Committee meets and reviews all external service providers on a quarterly basis. The board of the RE reviews the management contracts of external managers and investment advisers, which are publically available contracts. Key terms are disclosed in the current Product Disclosure Statement which is available at [www.aurorafunds.com.au](http://www.aurorafunds.com.au), as well as summarized in this Annual Report.

## Corporate Governance Practices of Aurora and the Trust

The Trust and Aurora have complied with all the Corporate Governance Principles as at 30 June 2010, except where stated below.

*Recommendation 8.1: Process for the performance evaluation of the board and compliance committee members*  
Aurora does not have a formal process to evaluate the performance of board or compliance committee members. All executive directors and staff are required to complete a minimum amount of continuing professional development each year, which is reviewed by the board each year.

## Unit holder Information

The following unit holder information set out below was applicable as at 30 June 2010

Distribution of holdings	Number of unit holders
1 – 1,000	10
1001 – 5,000	73
5001 – 10,000	65
10,001 – 100,000	230
100,001 and over	21
Total	<hr/> 399

## Top 20 Unit holders

The names of the largest twenty unit holders in the Trust as at 30 June 2010 are listed below:

Name	No held	%
FORBAR CUSTODIANS LIMITED <FORSYTH BARR LTD-NOMINEE A/C>	462,762	3.885
AURORA FUNDS MANAGEMENT LIMITED <AURORA WHSALE INFRSTRUCT A/C>	406,530	3.413
ANZ NOMINEES LIMITED <CASH INCOME A/C>	324,191	2.722
SIMUVI PTY LTD <GASTON FAMILY S/F A/C>	214,937	1.805
BT PORTFOLIO SERVICES LIMITED <G ROBERTS PRO S/F NO 2 A/C>	210,000	1.763
MR NOEL GODFREY MATTOCKS <N G MATTOCKS FAMILY A/C>	210,000	1.763
BT PORTFOLIO SERVICES LIMITED <MR CORRIE HARING APP A/C>	203,000	1.704
MR PETER JAMES MANNING & MRS ANN JULIA MANNING <THE MANNING SUPER FUND A/C>	175,000	1.469
A W CLARKE & I J CLARKE	140,000	1.175
MESK PTY LTD <K & S PITTS SUPER FUND A/C>	140,000	1.175
MRS BETSY TAIG	140,000	1.175
VENUS BAY PTY LTD <HAGAN SUPER FUND A/C>	140,000	1.175
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	136,500	1.146
BURBANK PTY LTD <PARKS NO 2 SUPER FUND A/C>	124,523	1.045
BT PORTFOLIO SERVICES LIMITED <MRS BERYL WINCKLE A/C>	112,000	0.940
MR WILLIAM RONALD BENSON & MRS FLORENCE BENSON <FLORENCE'S FUND A/C>	105,000	0.882
BT PORTFOLIO SERVICES LIMITED <THE BROWN FAMILY S/F A/C>	105,000	0.882
MR DAVID BUTLER & MRS MARGARET BUTLER <BUTLER FAMILY S/F A/C>	105,000	0.882
HEATSUPER PTY LTD <THE HEATLEY SUPER FUND A/C>	105,000	0.882
MR ROBERT MICHAEL LONG & MRS CAROLYN VERNA LONG <RM & CV LONG S/F A/C>	105,000	0.882

This information is summarised from registry information received by the Responsible Entity.