



**ICAM DUXTON PORT
INFRASTRUCTURE RETAIL FUND**

ARSN 635 727 507

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2023**

**ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND
RESPONSIBLE ENTITY REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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**ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND
RESPONSIBLE ENTITY REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The Directors of the Responsible Entity, Vasco Responsible Entity Services Limited, present their report on the ICAM Duxton Port Infrastructure Retail Fund ('the Fund') for the year ended 30 June 2023. In order to comply with the provisions of the *Corporations Act 2001* the Directors report is as follows:

1. Directors

The Trustee of the ICAM Duxton Port Infrastructure Retail Fund is Vasco Responsible Entity Services Limited.

Directors of Vasco Responsible Entity Services Limited at any time during the financial year were:

Craig Mathew Dunstan

Jonathan William Martin

Reginald Bancroft

2. Principal Activities

The Fund was registered with ASIC on 6 September 2019 and issued its first units to investors on 20 December 2019. The Fund provides an opportunity to invest in the ICAM Duxton Port Infrastructure Trust (Underlying Trust) that primarily provides exposure to the development and operation of a port infrastructure asset in Lucky Bay, South Australia.

An important part of the investment strategy of the Fund and the Underlying Trust is to issue units in the Underlying Trust to growers in the Lucky Bay Port grain catchment area. The growers that are retail clients ('Retail Growers') cannot be issued units directly in the Underlying Trust. The Underlying Trust will issue units to the Fund and an increased benefit received by the Fund will be passed on to Retail Growers by issuing units to the Retail Growers in the Fund.

To incentivise growers to use the Lucky Bay Port, the Underlying Trust, has agreed to issue equity (\$3 in equity for every one tonne of grain throughput) in the Underlying Trust to those growers who have expressed a commitment to use the port facilities for the next seven years.

3. Operating Results

The total comprehensive income of the Fund for the period was \$nil (2022: \$172,292). The Investment Manager reimbursed the Fund to the amount of \$161,320 (2022: \$137,655), as part of the agreement between the Fund and the Investment Manager.

4. Review of Operations

During the year, the Fund issued nil (2022: 621,417) units in the Ordinary unit class and 551,704 (2022: 757,234) units in the Throughput unit class. The total number of units issued in both classes since inception is outlined in note 11 of the financial statements.

In the financial year, the Fund invested \$485,500 (2022: \$1,130,498) in the ICAM Duxton Port Infrastructure Trust and acquired 551,704 (2022: 1,076,665) units at a unit price of \$0.88 (2022: \$1.05).

The Underlying Trust has recently engaged an independent expert to provide a report of Pricing Guidance which reflects the carrying value of the asset.

**ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND
RESPONSIBLE ENTITY REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. Review of Performance

It is anticipated that unitholders will receive the return detailed in the Supplementary Product Disclosure Statement issued 22 June 2021, or otherwise agreed between the unitholders and the Investment Manager.

Investment Option	2023 % p.a.	2022 % p.a.
Ordinary	0.0	5.8
Throughput	0.0	-

The above performance has been annualised

6. Unit Redemption Prices

The availability and timing of redemptions is subject to the terms of the Fund's Constitution.

These prices are based on net asset value and total number of units on issue as at the calculated period.

	2023 \$	2022 \$
At 30 June	0.88	0.88
High during year	0.88	0.88
Low during year	0.88	0.82

7. Distributions Paid or Recommended

The Fund aims to pay distributions in line with the Underlying Trust's distribution frequency. It is anticipated that the Fund will generate the majority of its income from distributions from the Underlying Trust. Distributions from the Underlying Trust are likely to be made from operating cash flows and in certain circumstances, retained earnings. The Fund is working towards optimising their margins from the project, given the start-up nature of the asset and associated challenges with adverse weather events and the pandemic environment meaning that the timing of any distributions is currently uncertain.

It is not currently expected that the Underlying Trust would fund any distributions from capital or debt sources.

8. Applications Held

As at 30 June 2023, there are no pending applications to the Fund (2022: nil).

**ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND
RESPONSIBLE ENTITY REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. Redemption Arrangements

As detailed in the Fund's Constitution, the Responsible Entity is not under any obligation to buy back, purchase or redeem units from unitholders.

There are no withdrawal rights from the Fund. An investment in the Fund is illiquid and should be viewed as a long-term investment. Unitholders in the Underlying Trust have no right to withdraw from the Underlying Trust other than as determined by the trustee of the Underlying Trust in its absolute discretion.

No units were redeemed by the Responsible Entity during the reporting period.

10. Options

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The Directors and executives of the Responsible Entity hold no options over interests in the Fund.

11. Proceedings on Behalf of the Fund

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

12. Value of Fund Assets

The gross asset value of the Fund at the end of the reporting period was \$3,048,027 (2022: \$2,547,949). The net asset value at the end of the reporting period was \$2,979,056 (2022: \$2,493,555).

13. Significant Changes in State of Affairs

Apart from those matters referred to in the previous sections of this Report, there have been no other significant changes to the state of affairs of the Fund during the financial year.

14. After Reporting Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of these operations, or the state of affairs of the Fund in future financial years other than as disclosed in this report.

15. Indemnifying Officers or Auditor

During or since the end of the financial year, the Responsible Entity has paid insurance premiums to insure each of the aforementioned Directors as well as officers of the Responsible Entity against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the Responsible Entity, other than conduct involving a willful breach of duty in relation to the Responsible Entity.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

**ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND
RESPONSIBLE ENTITY REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

16. Future Developments

There are no future developments to report on which are not otherwise disclosed in this report.

17. Fees, Commissions or Other Charges by the Responsible Entity, Investment Manager or Related Parties

As at 30 June 2023, fees of \$60,000 (plus GST) (2022: \$60,000 (plus GST)) were accrued and paid to the Responsible Entity of the Fund.

As at 30 June 2023, fees of \$24,918 (plus GST) (2022: \$23,731 (plus GST)) were accrued and paid to the Administration Manager of the Fund.

As shown in Note 8 to the financial statements, the Investment Manager will transfer funds to the Fund quarterly in advance in order for the Fund to meet its ongoing fees and costs.

18. Units held by the Responsible Entity, Investment Manager or Related Parties

At 30 June 2023, the Responsible Entity and its related parties held no units in the Fund.

19. Interests in the Fund

The movement of units on issue in the Fund during the year is set out in Note 11 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the Statement of Financial Position and derived using the basis set out in Note 1 to the financial statements.

20. Environmental Issues

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

21. Lead auditor's declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on the following page and forms part of the Responsible Entity's report for the year ended 30 June 2023.

Signed in accordance with a resolution of the Board of Directors of Vasco Responsible Entity Services Limited by:

Craig Dunstan

Craig Dunstan

Director

Date 28 September 2023

Auditor's Independence Declaration to the Directors of the Responsible Entity

In accordance with section 307C of the *Corporations Act 2001* (the Act), in relation to our audit of the financial report of ICAM Duxton Port Infrastructure Retail Fund for the financial year ended 30 June 2023, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (b) no contraventions of any applicable code of professional conduct.



PKF



Steven Bradby
Director

Melbourne, 28 September 2023

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
Revenue and other income			
Bank interest	2	2,369	12
Reimbursement from Investment Manager	8	161,320	137,655
Total revenue and other income		163,689	137,667
Expenses			
Responsible entity fees	4	60,000	60,000
Administration fees	4	24,918	23,731
Custodian fees	5	21,228	20,000
Audit fees	13	31,500	8,000
Other expenses	6	26,043	25,936
Total expenses		163,689	137,667
Operating profit attributed to unitholders		-	-
Other comprehensive income for the year	9	-	172,292
Total comprehensive income for the year		-	172,292

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note s	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	7	110,090	105,258
Net reimbursements due from investment manager	8	11,995	2,675
Reduced input tax credit		6,886	6,461
Total current assets		128,971	114,394
Non-current assets			
Investments	9	2,919,056	2,433,555
Total non-current assets		2,919,056	2,433,555
Total assets		3,048,027	2,547,949
Liabilities			
Fees payable	10	68,971	54,394
Total liabilities		68,971	54,394
Net assets		2,979,056	2,493,555
Represented by:			
Issued units	11 (a)	3,075,994	2,590,493
Investment revaluation reserve	11 (b)	(96,938)	(96,938)
Net assets attributable to unitholders		2,979,056	2,493,555

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Issued Units \$	Investment Revaluation Reserve \$	Total \$
Balance as at 1 July 2021	1,460,000	(269,230)	1,190,770
Issue of units during the year	1,130,493	-	1,130,493
Revaluation of investment during the period	-	172,292	172,292
Balance at 30 June 2022	2,590,493	(96,938)	2,493,555
Balance as at 1 July 2022	2,590,493	(96,938)	2,493,555
Issue of units during the year	485,501	-	485,501
Balance as at 30 June 2023	3,075,994	(96,938)	2,979,056

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023	2022
		\$	\$
Cash flows from operating activities			
Bank interest		2,369	4
Payment to suppliers		(149,537)	(130,502)
Reimbursement received		152,000	101,197
Net cash provided by / (used in) operating activities		<u>4,832</u>	<u>(29,301)</u>
Cash flows from investing activities			
Payment for the purchase of investments		-	(509,565)
Net cash (used in) investing activities		<u>-</u>	<u>(509,565)</u>
Cash flows from financing activities			
Proceeds from the issue of units		-	509,565
Net cash provided by financing activities		<u>-</u>	<u>509,565</u>
Net (decrease) / increase in cash and cash equivalents		4,832	(29,301)
Cash and cash equivalents at the beginning of year		105,258	134,559
Cash and cash equivalents at the at the end of the year	7	<u><u>110,090</u></u>	<u><u>105,258</u></u>

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial report is for the ICAM Duxton Port Infrastructure Retail Fund ('the Fund'). The Fund is a closed-ended, unlisted, registered Australian managed investments scheme. The Responsible Entity of the Fund is Vasco Responsible Entity Services Limited and ICAM Retail Funds Management Pty Ltd is the Investment Manager of the Fund.

Basis of Preparation

(a) Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial report of the Fund complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

The Fund is a for-profit entity for the purpose of preparing the financial statements.

(b) Basis of measurement

The financial report is prepared on the historical cost basis except for the following material items in the Statement of Financial Position:

Investments are measured at fair value.

(c) Functional and presentation currency

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

(d) Critical judgements and significant accounting estimates

The preparation of financial statements requires the Directors of the Responsible Entity to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

The Fund carries investments at fair value, with changes in fair value being recognised in the investment revaluation reserve as other comprehensive income. The Investment Manager and Responsible Entity also take into account other factors as part of their impairment review, including recent capital raises linked to the port project.

(e) New, revised or amending Accounting Standards and Interpretations adopted

The Fund has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Policies

(a) Financial instruments

Financial assets and financial liabilities are recognised on the Fund's Statement of Financial Position when the Fund becomes a party to the contractual provisions of the instrument.

Investments

Investments are initially and subsequently measured at fair value through other comprehensive income (revaluation reserve) based on a valuation provided by a third-party valuer.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

The Fund's financial assets relate to cash and cash equivalents and other receivables.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Fund no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Issued units

The Fund issues units which have a limited life under the Fund's Constitution and are classified as equity in accordance with AASB 132 *Financial Instruments: Presentation* as amended by AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation*.

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity in the revised AASB 132, the units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Where the Fund buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in equity attributable to the Fund's unitholders.

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(c) Goods and services tax (GST)

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

(d) Income tax

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

(e) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Fund that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(f) Interest Income

Interest income, including bank interest, is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

(g) Foreign Exchange

Items included in the financial records are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Australian dollars, which is the presentation currency of the Fund.

(h) Provisions

Provisions are recognised when the Fund has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2: REVENUE

Bank interest

	2023	2022
	\$	\$
Bank interest	2,369	12
	<u>2,369</u>	<u>12</u>

Cash on deposit is held by the Custodian (Perpetual Corporate Trust Limited) with Commonwealth Bank of Australia (CBA).

NOTE 3: INVESTMENT MANAGER FEES AND PERFORMANCE FEES

No fees are paid by the Fund to the Investment Manager in accordance with the Product Disclosure Statement dated 3 May 2022.

Any performance fees are payable by the Underlying Trust. This is tied to the performance of the Underlying Trust in the following manner, split over two hurdles:

- 7.5% of excess of Internal Rate of Return (IRR) above an 8% p.a. hurdle rate for performance period.
- 12.5% of excess IRR above a 15% p.a. hurdle rate for the performance period.

A performance fee is payable to the Investment Manager on certain exit events such as the sale of key assets (being at least 10% or more of the assets), listing of the units on a securities exchange, a sale of at least a majority of the units, termination of Underlying Trust, windup of the Underlying Trust, or certain refinancing to enable a withdrawal of at least 10% of the existing equity.

NOTE 4: RESPONSIBLE ENTITY AND ADMINISTRATION FEES

	2023	2022
	\$	\$
Responsible entity fees	60,000	60,000
Administration fees	24,918	23,731
	<u>84,918</u>	<u>83,731</u>

The Responsible Entity has an annual minimum fee of \$60,000 (2022: \$60,000) (plus GST) or 0.3% p.a. (excluding GST) of the Fund's gross asset value up to \$100 million and 0.2% p.a. (plus GST) of the Fund's gross asset value above \$100 million. This fee is calculated on a monthly basis from the date of registration of the Fund and is payable monthly in arrears from the commencement of the Fund. The Responsible Entity is also entitled to a retirement fee of \$9,500 (plus GST) should their engagement with the Fund be terminated or the Fund is transferred to another responsible entity.

Vasco Fund Services Pty Ltd as the Administration Manager is entitled to an annual fee of (plus GST):

- \$20,000 per annum where the GAV of the Fund is less than \$20 million and there are less than 25 unitholders;
- \$21,000 per annum where the GAV of the Fund is greater than \$20 million or where there are 25 or more unitholders; and
- Should additional unit classes be established an additional fee of \$5,000 per annum per unit class shall apply or \$10,000 for segregated unit classes.

The Administration Manager fee is subject to an annual increase of 5% on the 1st of January each year.

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 5: CUSTODIAN FEES

	2023	2022
	\$	\$
Custodian fees	21,228	20,000
	<u>21,228</u>	<u>20,000</u>

In accordance with the Custodian Agreement, Perpetual Corporate Trust Limited as the Custodian is entitled to the following:

- As Custodian, an annual fee of \$21,228 (2022: \$20,000) (plus GST).
- The fee is subjected to a CPI increase every year beginning the 1st July.

NOTE 6: OTHER EXPENSES

	2023	2022
	\$	\$
GST expense (non-claimable)	5,999	4,927
Other administration expenses	14,081	13,191
Bank fees	69	8
Legal expenses	2,585	3,906
Professional fees	-	840
ASIC fees	1,433	1,364
Tax return fee	1,876	1,700
	<u>26,043</u>	<u>25,936</u>

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at bank

Bank	2023	2022
	\$	\$
Commonwealth Bank	110,090	105,258
	<u>110,090</u>	<u>105,258</u>

NOTE 8: NET REIMBURSEMENTS DUE FROM / (TO) INVESTMENT MANAGER

	2023	2022
	\$	\$
At 1 July	2,675	(33,792)
Costs incurred to be reimbursed by investment manager	161,320	137,655
Less: amounts received from investment manager	(152,000)	(101,197)
Reimbursements due from investment manager at 30 June	<u>11,995</u>	<u>2,675</u>

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 8: NET REIMBURSEMENTS DUE FROM / (TO) INVESTMENT MANAGER (continued)

According to section 7.2 of the Product Disclosure Statement dated 3 May 2022, until the Fund has raised \$5m or more from the issue of units (Ordinary Units, that is, excluding Throughput Units), the Investment Manager has agreed to fund the Fund's direct fees and costs. Once the \$5m has been raised the Investment Manager will only reimburse the Responsible Entity for 50% of the Fund's direct fees and costs.

The Investment Manager will provide adequate funding to the Fund quarterly in advance in order for the Fund to meet its ongoing fees and costs under this arrangement.

NOTE 9: INVESTMENTS

As at 30 June, the Fund's investments comprised of:

Investment in ICAM Duxton Port Infrastructure Trust (Underlying Trust)	2023	2022
	\$	\$
Underlying Cost	2,530,497	1,400,000
At 1 July		
Additions: Ordinary Units	-	509,565
Additions: Throughput Units	485,501	620,932
At 30 June	<u>3,015,998</u>	<u>2,530,497</u>
Revaluation		
At 1 July	(96,942)	(269,230)
Revaluation gain/(loss) during the period	-	172,288
At 30 June	<u>(96,942)</u>	<u>(96,942)</u>
Total investments	<u><u>2,919,056</u></u>	<u><u>2,433,555</u></u>

Based on a recent independent expert's report of Pricing Guidance, the estimated indicative unit price of the Underlying Trust ranges from \$1.08 - \$1.23 per unit as at 30 June 2023. The Trustee has exercised its discretion to keep the price unchanged as it is still within the estimated price range. As at 30 June 2023, the Underlying Trust unit price remains at \$1.13, there has been no change from the previously reported Unit Price.

NOTE 10: FEES PAYABLE

	2023	2022
	\$	\$
Responsible entity fees payable	5,000	-
Administration fees payable	2,127	-
Tax return fees payable	1,825	1,700
Custodian fees payable	34,749	39,749
Audit fees payable	19,000	8,000
Other fees	6,270	4,945
	<u><u>68,971</u></u>	<u><u>54,394</u></u>

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 11: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

(a) Issued units

	2023	2023	2022	2022
	Units	\$	Units	\$
At 1 July				
Ordinary units	2,081,417	1,969,565	1,460,000	1,460,000
Throughput units	757,234	620,928	-	-
	2,838,651	2,590,493	1,460,000	1,460,000
Units issued during the period				
Ordinary units	-	-	621,417	509,565
Throughput units	551,704	485,501	757,234	620,928
	551,704	485,501	1,378,651	1,130,493
At 30 June				
Ordinary units	2,081,417	1,969,565	2,081,417	1,969,565
Throughput units	1,308,938	1,106,429	757,234	620,928
	3,390,355	3,075,994	2,838,651	2,590,493

As stipulated in the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund.

(b) Undistributed profit/(loss) attributable to unitholders

	2023	2022
	\$	\$
Opening balance	(96,938)	(269,230)
Unrealised gain on investments	-	172,292
Closing balance	(96,938)	(96,938)

(c) Capital management

The Fund regards total unitholders' interests (including unrealised gain/(loss) on investments) as capital. The objective of the Fund is to provide unitholders with income and capital growth. The Fund, via its investment in the Underlying Trust, aims to generate income and capital returns for investors through building and operating an efficient South Australian agricultural port asset portfolio that provides grain growers with an efficient port facility.

The Fund aims to invest to meet the Fund's investment objectives while maintaining sufficient liquidity to meet its commitments, including unitholder redemptions. The Investment Manager regularly reviews the performance of the Fund, including asset allocation strategies, investment and risk management.

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12: RELATED PARTY TRANSACTIONS

(a) Responsible Entity

The Responsible Entity of the ICAM Duxton Port Infrastructure Retail Fund is Vasco Responsible Entity Services Limited.

Fees of \$60,000 (2022: \$6,935) (plus GST) were accrued and paid by the Fund to Vasco Responsible Entity Services Limited for its role as Responsible Entity for the financial year, of which \$3,300 (2022: \$81) is claimable by the Fund as a reduced inputs tax credit.

There was a change in the Responsible Entity in the 2022 financial year, and fees of \$53,065 were paid to Vasco Trustees Limited for the period in undertook responsible entity duties (July 1 2021 to May 19 2022).

(b) Investment Manager

The Investment Manager of the ICAM Duxton Port Infrastructure Retail Fund is ICAM Retail Funds Management Pty Ltd.

No fees were accrued or paid by the Fund to ICAM Retail Funds Management Pty Ltd during the period.

(c) Administration Manager

The Administration Manager of the ICAM Duxton Port Infrastructure Retail Fund is Vasco Fund Services Pty Ltd.

Administration fees of \$24,918 (plus GST) (2022: \$23,731 (plus GST)) were accrued and paid during the period by the Fund to Vasco Fund Services Pty Limited for its role as Administration Manager of the Fund, of which \$1,869 (2022: \$1,780) is claimable by the Fund as a reduced inputs tax credit.

Vasco Fund Services Pty Limited is a related party of the Responsible Entity.

(d) Key management personnel

The Fund does not employ personnel in its own right. However, it has an incorporated Responsible Entity, Vasco Responsible Entity Services Limited, to manage the activities of the Fund and an Investment Manager to manage investment of the Fund. The Directors of the Responsible Entity are key management personnel of that corporate entity. No compensation is paid directly by the Fund to Directors or to any of the key management personnel of the Responsible Entity or Investment Manager. Payments made by the Fund to the Responsible Entity or Investment Manager do not specifically include any amounts attributable to the compensation of key management personnel.

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 13: REMUNERATION OF AUDITORS

The auditor of the Fund is PKF Melbourne Audit & Assurance Pty Ltd for the Fund in FY 2023. The following fees were payable to the Fund's auditor for the audit of the Fund's financial statements.

	2023	2022
	\$	\$
Financial Audit services	15,000	8,000
Review of half yearly accounts	4,200	-
Compliance Audit services	4,000	-
	<u>23,200</u>	<u>8,000</u>

The remuneration of the auditors was under accrued by \$8,300 in 2022 and this under accrual was accounted for as an additional expense in 2023. The above amount reflects the 2023 auditor remuneration.

NOTE 14: CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with profit/ (loss) for the year

	2023	2022
	\$	\$
Net profit for the year	-	-
<u>Adjustments:</u>		
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(9,320)	(36,467)
(Increase)/decrease in RITC receivable	(425)	(1,724)
Increase in trade and other payables	14,577	8,890
Cash flows from operating activities	<u>4,832</u>	<u>(29,301)</u>

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the period.

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

As at the date of this report, there have been no events subsequent to the reporting date that require additional disclosure.

NOTE 17: FINANCIAL RISK MANAGEMENT

(a) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund will hold investments in infrastructure assets, which are not considered to be assets that are readily realisable.

In order to address this risk, the Responsible Entity retains broad discretion to restrict distributions, withdrawals and/or redemptions.

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Fund. The Fund is exposed to this risk for various financial instruments. The Fund's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2023	2022
	\$	\$
Cash and cash equivalents	110,090	105,258
Net reimbursements due from investment manager	11,995	2,675
Investments	<u>2,919,056</u>	<u>2,433,555</u>
	<u>3,041,141</u>	<u>2,541,488</u>

The Investment Manager manages the exposure to credit risk on an ongoing basis. The Fund's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

(c) Market Risk

The Fund is exposed to market risk through its use of financial instruments and specifically to interest rate risk which results from both its operating and investing activities. Market risk is the risk that changes in market prices will affect the Fund's income. Market risk embodies the potential for both losses and gains. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is monitored by the Investment Manager.

(d) Interest Rate Risk

The Fund's interest rate risk is monitored by the Investment Manager.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At the reporting date the interest rate profile of the Fund's interest-bearing financial instruments was:

	2023	2022
	\$	\$
Cash and cash equivalents	<u>110,090</u>	<u>105,258</u>
	<u>110,090</u>	<u>105,258</u>

An increase or decrease of 100 basis points in interest rates as at the reporting date would not have a material effect on the net assets attributable to unitholders and operating results.

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

(e) Port Operator Risk

The Lucky Bay Port Facility will be operated by T-Ports, a company wholly owned by the Underlying Trust. The operator's performance will in part be dependent on the recruitment, establishment, and ongoing performance of an effective port operating team. If the port operator is ineffective then there will be impacts on revenue and return on investment.

While port operations could be outsourced to established grain port operators as an alternative, this is likely to increase the cost base of the operations beyond the figures modelled, and may also have other impacts on grain seller and purchaser dynamics, which again could negatively impact the returns.

(f) Design and Construction Risk

Material elements of the infrastructure are currently in construction and not yet complete (including material handling systems on the transshipment vessel, portside and storage facilities). There are inherent risks in any development project. Performance of an investment in the Underlying Trust is dependent on completion of the development of the assets in line with the projected timetables and on budgets. Increased costs or time delays can impact on return on investment including through a delay in commencement of operations, higher capital costs or debt funding or reduced revenue.

NOTE 18: RESPONSIBLE ENTITY DETAILS

The registered office and the principal place of business of the Responsible Entity are:

Vasco Responsible Entity Services Limited

Level 4

99 William Street

Melbourne Victoria 3000

ICAM DUXTON PORT INFRASTRUCTURE RETAIL FUND

DIRECTORS' DECLARATION

The Directors of Vasco Responsible Entity Services Limited, the Responsible Entity, declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Directors' 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors of Vasco Responsible Entity Services Limited by:

Craig Dunstan

Craig Dunstan

Director

28 September 2023

Independent Auditor's Report to the Members of ICAM Duxton Port Infrastructure Retail Fund and the Directors of the Responsible Entity

Opinion

We have audited the accompanying financial report of ICAM Duxton Port Infrastructure Retail Fund (the Fund), which comprises the statement of financial position as at 30 June 2023, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year ended on that date, notes to the financial statements, including material accounting policy information, and the Directors' Declaration.

In our opinion, the financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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

We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 confirm that our independence declaration given to the directors of the Responsible Entity would be in the same terms if given to the directors as at the time of this auditor's report.

Responsibility of the Directors of the Responsible Entity for the financial report

The Directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the Directors are 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 Directors either intend to liquidate the Scheme 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 the financial report.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Director'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 Directors 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF
Melbourne, 29 September 2023



Steven Bradby
Director