

# **Mitsui Maura Investment Pty Ltd**

ACN 088 091 356

Special purpose financial report for the financial year ended  
31 March 2009

# **Annual financial report for the financial year ended 31 March 2009**

	<b>Page</b>
Directors' report	1
Auditor's independence declaration	3
Independent audit report	4
Directors' declaration	6
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Cash flow statement	10
Notes to the financial statements	11

## Directors' report

The directors of Mitsui Moura Investment Pty Ltd submit herewith the annual financial report of the company for the financial year ended 31 March 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the financial year are:

Name	
• K. Wakiwaka	(appointed 28 February 2006, resigned 23 September 2008)
• M. Okubo	(appointed 2 June 2005)
• J. Hawgood	(appointed 1 June 2007)
• K. Tsuji	(appointed 23 September 2008, resigned 8 December 2008)
• S. Yamano	(appointed 8 December 2008)

### Principal activities

The principal activity of the company during the financial year ended 31 March 2009 was to invest in the Dawson Coal Mining joint venture and sell to external parties the coal procured from the joint venture.

### Review of operations

The company incurred a profit after tax of \$41,125,891 (2008 loss: \$75,865,813) for the financial year. During the financial year the company continued to make cash contributions to the Moura, Dawson, Taroom, and Theodore Joint Ventures.

### Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the company.

### Subsequent events

There has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### Future developments

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

### Environmental regulations

The company has complied with the provisions of all significant environmental regulations that the company is subject to.

### Indemnification of officers and auditors

During or since the financial year the company has not indemnified, or made a relevant agreement to indemnify, an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

## **Dividends**

No dividends have been declared during the financial year, and the directors do not recommend the payment of a dividend in respect of the financial year ended 31 March 2009.

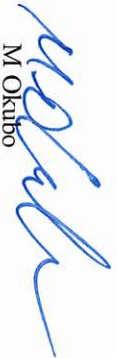
No dividend was paid or declared during the financial year ended 31 March 2008.

## **Auditor's independence declaration**

The auditor's independence declaration is included on page 3.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



M Okubo

Director

Brisbane, 15 July 2009



Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Riverside Centre  
Level 25  
123 Eagle Street  
Brisbane QLD 4000  
GPO Box 1463  
Brisbane QLD 4001 Australia

DX 115  
Tel: +61 (0) 7 3308 7000  
Fax: +61 (0) 7 3308 7001  
[www.deloitte.com.au](http://www.deloitte.com.au)

The Board of Directors  
Mitsui Maura Investment Pty Ltd  
Level 12  
240 Queen Street  
Brisbane QLD 4000  
Australia

15 July 2009

Dear Board Members

**Mitsui Maura Investment Pty Ltd**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Mitsui Maura Investment Pty Ltd.

As lead audit partner for the audit of the financial statements of Mitsui Maura Investment Pty Ltd for the financial year ended 31 March 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU

**Carl Harris**  
Partner  
Chartered Accountants



# Independent Auditor's Report to the members of Mitsui Maura Investment Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report, of Mitsui Maura Investment Pty Ltd, which comprises the balance sheet as at 31 March 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company as set out on pages 6 to 31.

## *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control 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.

## *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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.

# Deloitte.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

## *Auditor's Independence Declaration*

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

## *Auditor's Opinion*

In our opinion, the financial report of Mitsui Maura Investment Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 March 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU



Carl Harris  
Partner  
Chartered Accountants  
Brisbane, 15 July 2009

## Directors' declaration

As detailed in Note 1 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



M Okubo

Director

Brisbane, 15 July 2009



## Income statement for the financial year ended 31 March 2009

	Note	2009 \$	2008 \$
Revenue		657,084,436	291,710,980
Cost of sales		(555,314,039)	(377,397,267)
<b>Gross profit</b>		101,770,397	(85,686,287)
Other revenue		4,280,709	501,521
Other income		69,350	72,751
Finance costs		(33,580,858)	(21,419,260)
Administration expenses		(14,081,467)	(6,152,507)
<b>(Loss) / Profit before tax</b>	2	58,458,131	(112,683,782)
Income tax (expense) / benefit		(17,332,240)	36,817,969
<b>Profit / (loss) attributable to members of the entity</b>		41,125,891	(75,865,813)

Notes to the financial statements are included on pages 11 to 31.

## Balance sheet as at 31 March 2009

	Note	2009 \$	2008 \$
<b>Current assets</b>			
Cash and cash equivalents		24,230,689	7,190,191
Trade and other receivables	4	48,613,969	76,088,905
Other financial assets			
Inventories	5	34,885,253	38,783,202
Other	6	85,340,580	37,454,902
	7	27,102,074	6,160,830
<b>Total current assets</b>		<b>220,172,565</b>	<b>165,678,030</b>
<b>Non-current assets</b>			
Other financial assets	8	45	252,618
Property, plant and equipment	9	635,704,296	642,150,077
Other Intangible Assets	10	103,047,635	106,112,038
<b>Total non-current assets</b>		<b>738,751,976</b>	<b>748,514,733</b>
<b>Total assets</b>		<b>958,924,541</b>	<b>914,192,763</b>
<b>Current liabilities</b>			
Trade and other payables	11	184,796,201	115,497,372
Borrowings	12	288,943,346	298,467,601
Provisions	13	9,190,000	1,955,962
<b>Total current liabilities</b>		<b>482,929,547</b>	<b>415,920,935</b>
<b>Non-current liabilities</b>			
Borrowings	14	105,968,748	196,354,719
Deferred tax liabilities		15,337,243	30,704,136
Provisions	15	80,778,441	36,377,251
<b>Total non-current liabilities</b>		<b>202,084,432</b>	<b>263,436,106</b>
<b>Total liabilities</b>		<b>685,013,979</b>	<b>679,357,041</b>
<b>Net assets</b>		<b>273,910,562</b>	<b>234,835,722</b>
<b>Equity</b>			
Issued capital	16	232,963,856	232,963,856
Reserves	17	4,629,153	6,680,203
Retained earnings	18	36,317,553	(4,808,337)
<b>Total equity</b>		<b>273,910,562</b>	<b>234,835,722</b>

Notes to the financial statements are included on pages 11 to 31.

## Statement of changes in equity for the financial year ended 31 March 2009

	Ordinary shares \$	Hedging reserve \$	Retained earnings \$	Total attributable to equity holders of the entity \$
Balance at 1 April 2007	52,297,196	4,434,372	71,057,476	127,789,044
Gain on foreign currency exchange contract and interest rate swaps	-	6,680,203	-	6,680,203
Net income recognised directly in equity	-	6,680,203	-	6,680,203
Additional Share Capital Issue	180,666,660	-	-	180,666,660
Transfer to profit or loss on cash flow hedges	-	(4,434,372)	-	(4,434,372)
Loss for the year	-	-	(75,865,813)	(75,865,813)
Total recognised income & expense for the year	180,666,660	2,245,831	(75,865,813)	107,046,678
<b>Balance at 31 March 2008</b>	<b>232,963,856</b>	<b>6,680,203</b>	<b>(4,808,337)</b>	<b>234,835,722</b>
Balance at 1 April 2008	232,963,856	6,680,203	(4,808,337)	234,835,722
Gain on foreign currency exchange contract and interest rate swaps	-	4,629,153	-	4,629,153
Net income recognised directly in equity	-	4,629,153	-	4,629,153
Additional Share Capital Issue	-	-	-	-
Transfer to profit or loss on cash flow hedges	-	(6,680,203)	-	(6,680,203)
Profit for the year	-	-	41,125,891	41,125,891
Total recognised income & expense for the year	-	(2,051,050)	41,125,891	39,074,841
<b>Balance at 31 March 2009</b>	<b>232,963,856</b>	<b>4,629,153</b>	<b>36,317,553</b>	<b>273,910,562</b>

Notes to the financial statements are included on pages 11 to 31.

## Cash flow statement for the financial year ended 31 March 2009

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		628,228,511	292,153,130
Payments to suppliers and employees		(488,642,948)	(337,932,671)
Interest and other finance (paid)/received		(12,074,866)	956,069
Income tax to head entity for tax funding agreement		28,794,829	(13,061,351)
Net cash provided by operating activities	21(b)	156,305,526	(57,884,823)
<b>Cash flows from investing activities</b>			
Interest received		1,101,419	321,019
Payment for property, plant and equipment		(41,632,633)	(134,889,563)
Proceeds from sale of property, plant and equipment		923,838	2,420,272
Payment for capitalised interest		-	(15,101,258)
Net cash used in investing activities		(39,607,376)	(147,249,530)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	180,666,660
Receipts from loans receivable		252,573	-
Repayments of borrowings		(146,820,226)	(417,112,935)
Proceeds from borrowings		46,910,000	442,401,880
Dividends paid to members of the entity		-	-
Net cash provided by financing activities		(99,657,653)	205,955,605
<b>Net increase/(decrease) in cash and cash equivalents</b>		17,040,497	821,250
<b>Cash and cash equivalents at the beginning of the financial year</b>		7,190,191	6,368,942
<b>Cash and cash equivalents at the end of the financial year</b>	21(a)	24,230,689	7,190,192

Notes to the financial statements are included on pages 11 to 31.

# Notes to the financial statements for the financial year ended 31 March 2009

Note	Contents
1	Summary of accounting policies
2	Profit from operations
3	Remuneration of auditors
4	Current trade and other receivables
5	Other current financial assets
6	Current inventories
7	Other current assets
8	Other non-current financial assets
9	Property, plant and equipment
10	Other intangible assets
11	Current trade and other payables
12	Current borrowings
13	Current provisions
14	Non-current borrowings
15	Non-current provisions
16	Issued capital
17	Reserves
18	Retained earnings
19	Commitments for expenditure
20	Contingent liabilities
21	Notes to the cash flow statement
22	Joint venture operations
23	Comparative information
24	Parent entities
25	Additional company information



## 1. Summary of accounting policies

### Financial reporting framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

### Statement of compliance

The financial report has been prepared in accordance with the Corporations Act 2001, the recognition and measurement requirements specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements' and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'.

### Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

In the application of the company's accounting policies 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.

Judgments made by management in the application of the company's accounting policies that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

## 1. Summary of accounting policies (continued)

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

### (a) Borrowings and borrowing costs

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### (c) Comparatives

Where necessary, information for the previous period has been represented to conform with changes in presentation in the current financial year. Refer to Note 23.

### (d) Derivative financial instruments

The company and the consolidated entity enter into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk, including forward foreign exchange contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The company and the consolidated entity designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges), or hedges of net investments in foreign operations.

#### *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.



## 1. Summary of accounting policies (continued)

### *Fair value hedge*

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

### (e) **Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

### (f) **Exploration and evaluation expenditure**

Exploration and evaluation costs related to an area of interest are carried forward provided that the rights to tenure of the area of interest are current and provided further that one of the following conditions are met to the extent that:

- Such costs are expected to be recouped through successful development and production of the area by its sale; or
- Exploration and evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves.

Costs are amortised over the life of the area of interest from the date of commencement of production. The amortisation is determined on a life of lease basis.

In the event that an area of interest is abandoned or if the directors consider the expenditure to be of no value, accumulated costs carried forward are recognised in profit or loss in the period in which that assessment is made.

### (g) **Financial assets**

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

## 1. Summary of accounting policies (continued)

### *Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

### *Fair value of financial assets*

The fair values of financial assets are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

### *Impairment of financial assets*

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

## (h) Financial instruments issued by the company

### *Debt and equity instruments*

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

### *Transaction costs on the issue of equity instruments*

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

### *Interest and dividends*

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments.

## (i) Foreign currency

### *Functional Currency*

The financial statements of the company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position of the entity are expressed in Australian dollars, which is the functional currency of the company, and the presentation currency for the financial statements.

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance date. Non-monetary items carried at fair value that are denominated in foreign currency are not retranslated.



## 1. Summary of accounting policies (continued)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- i. exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- ii. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- iii. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

The assets and liabilities of the company's foreign operations (including comparatives) are translated into Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used. Exchange differences arising, if any, are recognised in the translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

### (j) Going Concern

At 31 March 2009, the company is in a net current liability position of \$262,756,982. The ability of the company to continue as a going concern is dependent on the continued financial support of the company's parent entity in respect of the company's ability to pay its debts as and when they fall due.

Mitsui Coal Holdings Pty Ltd has given this support by providing a letter indicating Mitsui Coal Holdings Pty Ltd will ensure the company has sufficient funds to pay its debts as and when they fall due and will not call on any non-current intercompany loans to the company for twelve months from the date the financial report is signed.

Accordingly the directors believe the going concern basis of accounting is appropriate.

If the financial report was not prepared on the going concern basis, there may be changes in the amounts and dates of maturity of liabilities, with consequential amendments to revenues, expenses and equity and appropriate disclosures would need to be made.

### (k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.



## 1. Summary of accounting policies (continued)

### (l) Impairment of long-lived assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable or consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

### (m) Income tax

The company became a member of a tax-consolidated group from 1 April 2004. As a result, from this date, the company is not subject to tax in its own right. Tax expenses/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the company are recognised in the financial statements of the company using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the company are recognised by the head entity, Mitsui & Co., Australia (MCA).

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, the company and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to the head entity. The tax-sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Adjustments are made for transactions and events occurring within the tax-consolidated group that do not give rise to a tax consequence for the group or that have a different tax consequence at the level of the group.



## 1. Summary of accounting policies (continued)

### *Deferred tax*

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. Adjustments are made for transactions and events occurring within the tax-consolidated group that do not give rise to a tax consequence for the group or that have a different tax consequence at the level of the group.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in branches, associates and joint ventures except where the company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

### *Current and deferred tax for the period*

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

## (m) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses and relevant depreciation/amortisation expense, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Any excess cost of inventory over its net realisable value is expensed immediately.

## (o) Interests in Joint Venture Operations

Interests in joint venture operations are reported in the financial statements by including the consolidated entity's share of assets employed in the joint ventures, the share of liabilities incurred in relation to the joint ventures and the share of any expense incurred in relation to joint ventures in their respective classification categories.

## 1. Summary of accounting policies (continued)

### (p) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### (q) Mine development

Development costs related to an area of interest are capitalised if the expenditure are expected to be recouped through sale or successful exploitation of the area of interest. Costs are amortised over the asset's expected economic life on a straight line basis. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

### (r) Mineral rights

Mineral rights are recorded at cost, less accumulated amortisation and impairment.

Mineral rights are amortised over the asset's expected economic life on a straight line basis. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes being recognised as a change in accounting estimate.

### (s) Overburden removed in advance

Expenditure incurred in the removal of overburden from coal deposits is expensed as incurred.

### (t) Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

### (u) Property, plant and equipment

Land, buildings, plant and equipment, leasehold improvements, mine development and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.



## 1. Summary of accounting policies (continued)

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

Depreciation is calculated on a straight line basis so as to write off the net cost or other revealed amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Buildings 20 - 30 years
- Plant and equipment 5 - 15 years
- Development 20 - 30 years
- Capitalised leased property, plant and equipment 5 - 30 years

### (v) Provisions

Provisions are recognised when the company has a present obligation, (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

### (w) Rehabilitation and dismantling costs

Provisions are made for the estimated cost of rehabilitation relating to areas disturbed during the operation of the mines up to reporting date but not yet rehabilitated, as if the mines were shutdown at reporting date. Provision has been made in full for all disturbed areas at reporting date based on current estimates of costs per hectare to rehabilitate such areas. The estimated cost of rehabilitation includes the current cost of recontouring, topsoiling and revegetation employing current technology while having regard to current legislative requirements.

Changes in estimates are dealt with on a prospective basis as they arise. Significant uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the following factors:

- uncertainty as to the remaining life of existing operating sites; and
- the impact of changes in environmental legislation.

Rehabilitation works are carried out in accordance with the Environmental Management Overview Strategy and the Plan of Operations of each mine which is reviewed by the Department of Natural Resources and Mines as required by the Mineral Resources Act.

## 1. Summary of accounting policies (continued)

### *Infrastructure assets and dismantling*

The present value of rehabilitation and dismantling obligations is recognised at commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time. The provision is recognised as a non-current liability with a corresponding asset. At each annual reporting date the rehabilitation liability is re-measured in line with changes in discount rates, and timing or amount of the costs to be incurred. As the assets are not revalued, any changes in the liability are added or deducted from the related asset, other than the unwinding of the discount which is recognised in profit or loss.

If the change in the liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written-down to nil and the excess is recognised immediately in profit or loss. If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying amount is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write-down recognised in profit or loss in the period in which it occurs.

### *Non-infrastructure areas*

Rehabilitation obligations relating to non-infrastructure areas are discounted to their present value based on expected future cash flows. At each annual reporting date the rehabilitation liability is re-measured in line with changes in discount rates, timing or amount of the costs to be incurred and areas to be rehabilitated.

### (x) Revenue recognition *Sale of goods*

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### *Dividend and interest revenue*

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.



## 1. Summary of accounting policies (continued)

### (v) Accounting standards issued not yet effective

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the entity's financial report:

<i>Standard/Interpretation</i>	<i>Effective for annual reporting periods beginning on or after</i>	<i>Expected to be initially applied in the financial year ending</i>
<ul style="list-style-type: none"> <li>AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101', AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101'</li> </ul>	1 January 2009	31 December 2009
<ul style="list-style-type: none"> <li>AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'</li> </ul>	1 January 2009	31 December 2009

Initial application of the following Standards relevant to the entity is not expected to have any material impact on the financial report of the entity:

<i>Standard/Interpretation</i>	<i>Effective for annual reporting periods beginning on or after</i>	<i>Expected to be initially applied in the financial year ending</i>
<ul style="list-style-type: none"> <li>AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'</li> </ul>	1 January 2009	31 December 2009
<ul style="list-style-type: none"> <li>AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'</li> </ul>	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009), AASB 127 and AASB 2008-3 (1 July 2009)	31 December 2010

- AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project' 1 January 2009 31 December 2009
- AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project' 1 July 2009 31 December 2010
- AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate' 1 January 2009 31 December 2009

## 1. Summary of accounting policies (continued)

<i>Standard/Interpretation</i>	<i>Effective for annual reporting periods beginning on or after</i>	<i>Expected to be initially applied in the financial year ending</i>
<ul style="list-style-type: none"> <li>AASB 2008-8 'Amendments to Australian Accounting Standards – Eligible Hedged Items'</li> </ul>	1 July 2009	31 December 2010
<ul style="list-style-type: none"> <li>AASB Interpretation 17 'Distributions of Non-cash Assets to Owners', AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distributions of Non-cash Assets to Owners'</li> </ul>	1 July 2009	31 December 2010

The initial application of the expected issue of an Australian equivalent accounting standard to the following standard is not expected to have a material impact on the financial report of the Group and the company:

<i>Standard/Interpretation</i>	<i>Effective for annual reporting periods beginning on or after</i>	<i>Expected to be initially applied in the financial year ending</i>
<ul style="list-style-type: none"> <li>IFRS 1 'First-time Adoption of International Financial Reporting Standards'</li> </ul>	1 January 2009	30 June 2010
<ul style="list-style-type: none"> <li>Improvements to IFRSs (2009)</li> </ul>	1 January 2010	30 June 2011

## 2. Profit from operations

The profit for the year has been arrived at after (crediting)/charging the following items of income and expense:

	2009 \$	2008 \$
(Gain)/loss on disposal of property, plant and equipment	722,559	821,323
Depreciation of non-current assets	46,437,803	36,336,570
Amortisation of non-current assets	3,058,617	2,253,296
	49,496,420	38,589,866
Royalty Expense	61,717,601	18,108,473

## 3. Remuneration of auditors

Audit of the financial report	25,000	22,600
Audit of the joint venture operation	74,907	66,859
	99,907	89,459

## 4. Current trade and other receivables

Trade receivables	48,253,986	21,448,148
Allowance for doubtful debts	(6,139)	(71,895)
	48,247,847	21,376,253

Interest receivable from:

Other parties	102,469	30,651
Goods and services tax (GST) recoverable	263,654	410,988
Tax consolidation receivable from Mitsui & Co, Australia	-	54,271,013
	366,123	54,712,652
	48,613,969	76,088,905

**5. Other current financial assets**

**At fair value:**

Foreign currency hedge receivable

2009	2008
\$	\$
8,305,016	12,203,202
8,305,016	12,203,202

Loans receivable from:

Parent entity (non-interest bearing)

Parent entity (interest bearing)

Other Corporations

26,580,000	26,580,000
-	-
237	-
26,580,237	26,580,000
34,885,253	38,783,202

**6. Current inventories**

Stores

Stock on Hand

Less: Provision for obsolete stock

27,551,828	20,710,926
60,132,404	18,248,632
(2,343,651)	(1,504,656)
85,340,580	37,454,902

**7. Other current assets**

Prepayments

27,102,074	6,160,830
27,102,074	6,160,830

**8. Other non-current financial assets**

Loan to Gladstone Port Authority (non-interest bearing)

Investment at cost

-	252,573
45	45
45	252,618

## 9. Property, plant and equipment

	2009 \$	2008 \$
Freehold Land and Buildings:		
At cost	68,927,657	41,281,957
Accumulated depreciation	(7,042,536)	(2,471,383)
Development:		
At cost	69,703,534	24,737,439
Accumulated depreciation	(11,112,214)	(6,468,515)
Plant and equipment:		
At cost	58,591,320	18,268,924
Accumulated depreciation	(122,989,891)	(86,692,413)
Capitalised WIP:		
At cost	33,048,089	396,314,195
	33,048,089	396,314,195
Total	635,704,296	642,150,077

## 10. Other intangible assets

Mining Right:		
At cost	125,655,874	125,655,874
Accumulated depreciation	(22,608,239)	(19,543,836)
	103,047,635	106,112,038

## 11. Current trade and other payables

Trade payables	111,354,993	69,813,363
Interest payable to related parties	63,598,476	42,092,484
Amount owing to parent entity	1,806,862	931,470
Deferred foreign exchange hedge liability	1,691,940	2,660,055
Tax consolidation payable to Mitsui & Co., Australia	6,343,930	-
	184,796,201	115,497,372



**12. Current borrowings**

Unsecured

At amortised cost:

Loans from parent entity (interest bearing)

2009	2008
\$	\$
288,943,346	298,467,601
288,943,346	298,467,601

**13. Current provisions**

Onerous Contract

Rehabilitation

9,190,000	-
-	1,955,962
9,190,000	1,955,962

**14. Non-current borrowings**

Unsecured

At amortised cost:

Loans from related parties (interest bearing)

105,968,748	196,354,719
105,968,748	196,354,719

**15. Non-current provisions**

Employee entitlements

Rehabilitation

Onerous Contract

44,077	8,523
74,793,363	36,368,728
5,941,000	-

Employee entitlements provision relates to employees of the Joint Venture company. There are no employees employed by Mitsui Moura Investment Pty Ltd.

**16. Issued capital**

232,963,856 fully paid ordinary shares (2008: 232,963,856)

232,963,856	232,963,856
232,963,856	232,963,856

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

	2009		2008	
	No	\$	No	\$
<b>Fully paid ordinary shares</b>				
Balance at beginning of financial year	232,963,856	232,963,856	52,297,196	52,297,196
Shares issued during the year	-	-	180,666,660	180,666,660
Balance at end of financial year	232,963,856	232,963,856	232,963,856	232,963,856

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

## 17. Reserves

Hedging

2009 \$	2008 \$
4,629,153	6,680,203
4,629,153	6,680,203

### Hedging reserve

Balance at beginning of financial year  
Transferred to profit and loss

6,680,203      4,434,372

Forward exchange contracts

(6,680,203)      (4,434,372)

Gain/(loss) recognised:

Forward exchange contracts

4,629,153      6,680,203

Interest rate swaps

-      -

Balance at end of financial year

4,629,153      6,680,203

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

## 18. Retained earnings

Balance at beginning of financial year

(4,808,338)      71,057,476

(Loss)/profit for the year

41,125,891      (75,865,813)

Balance at end of financial year

36,317,553      (4,808,337)

## 19. Commitments for expenditure

### (a) Capital expenditure commitments

Joint Venture entities capital commitments

Not longer than 1 year

17,555,307      38,350,809

Longer than 1 year and not longer than 5 years

-

17,555,307      38,350,809

### (b) Non-cancellable operating lease payments

Not longer than 1 year

316,435      452,268

Longer than 1 year and not longer than 5 years

1,265,740      1,809,071

Longer than 5 years

3,797,222      5,879,480

5,379,397      8,140,819

2009	2008
\$	\$

## 20. Contingent Liabilities

### (i) Bank Guarantees

Guarantees issued in respect of the Minister for Mines and Energy

39,901,902	26,720,277
------------	------------

### (ii) Dawson Mine Housing Scheme

Under the Dawson Mine Housing Scheme various buy back arrangements are in place for typically a period of up to 7 years. This may apply on up to 13 houses. This agreement was part of the Dawson Mine Business Improvement Certified Agreement. No liabilities are shown in the financial report, however, there may be a financial obligation to buy back properties should the situation arise. The market value of all houses, however, currently exceeds any amounts payable under the buy back arrangements.

### (iii) Cross Charge Liabilities

A contingent liability exists under a cross charge between the Joint Venturers of the Moura Joint Venture over their individual interests, in order to protect the rights of individual Joint Venturers in an event of a default by any other Joint Venturer.

2009	2008
\$	\$

## 21. Notes to the cash flow statement

### (a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	24,230,689	7,190,191
	<u>24,230,689</u>	<u>7,190,191</u>

### (b) Reconciliation of profit for the period to net cash flows from operating activities

	2009	2008
	\$	\$
(Loss)/profit for the period	41,125,891	(75,865,813)
(Gain)/loss on sale or disposal of non-current assets	722,559	821,323
Depreciation and amortisation of non-current assets	49,496,420	38,589,866
Interest paid	(1,173,473)	(322,529)
(Increase)/decrease in provision for income tax	6,343,930	(7,317,524)
Increase/(decrease) in deferred tax balances	(14,487,874)	6,138,432



## 21. Notes to the cash flow statement (cont'd)

Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:

(Increase)/decrease in assets:

Current receivables	27,546,753	(56,568,816)
Current inventories	(47,885,680)	(2,561,998)
Other current assets	(20,941,243)	14,061,474

Increase/(decrease) in liabilities:

Current payables	41,541,630	(4,976,899)
Current provisions	7,234,038	-

Other current liabilities

Non-current provisions	22,381,385	27,785,169
	44,401,190	2,332,490

Net cash from operating activities

	156,305,526	(57,884,825)
--	-------------	--------------

## 22. Joint Venture Operations

Name	Principal Activity	Interest in Output	
		2009 %	2008 %
Moura Joint Venture	Coal Mining	49	49
Dawson Joint Venture	Exploration	49	49
Taroom Joint Venture	Exploration	49	49
Theodore Joint Venture	Exploration	49	49

The company's interest in assets employed in the above joint venture operations is detailed below. The amounts are included in the financial statements under their respective asset categories:

	2009 \$	2008 \$
<i>Current Assets</i>		
Cash	4,462,682	2,028,167
Stores	25,208,176	19,206,269
Stock on hand	60,132,404	18,248,630
Other debtors	34,027,742	3,759,169
Loans receivable	-	-
Prepayments	1,836,578	880,435
<i>Total Current Assets</i>	125,667,582	44,122,670
<i>Non-Current Assets</i>		
Property, plant and equipment	609,097,060	615,450,369
Loans Receivable	235	252,573
<i>Total Non-Current Assets</i>	609,097,295	615,702,942
<i>Total Assets</i>	734,764,877	659,825,612

### Capital Commitments and Contingent Liabilities

The capital commitments and contingent liabilities arising from the consolidated entity's interest in joint ventures operations are disclosed in notes 19 and 20.

## 23. Comparative Information

The company has a capitalised interest balance of \$27,381,702 (2008: \$28,682,356).

In the prior year balance sheet and associated notes, capitalised interest was treated as a separate class ('Capitalised interest') within 'Property, plant and equipment'. However, borrowing costs directly attributable to the acquisition of a qualifying asset are required to be capitalised as part of the carrying amount of the qualifying asset under AASB 123 Borrowing Costs. As such, in the current year the balance of capitalised interest has been included in the specific asset classes of 'Property, plant and equipment' to which the capitalised interest relates. Prior year comparatives have been adjusted accordingly.

The company has a premium balance of \$9,303,232 (2008: \$10,530,825)

Historically, in the balance sheet and associated notes, premiums have been presented as 'Other non-current assets'. Premiums represent additional consideration paid over and above the fair value of identifiable assets, for investments in joint ventures. In accordance with AASB 138, the current year balance of premiums has been reclassified as 'Other intangible assets'. Prior year comparatives have also been adjusted.

The company has a capitalised cost balance of \$4,082,860 (2008: \$4,613,231)

Capitalised costs have historically been presented as 'Other non-current assets' in the financial statements. In the current year balance sheet and associated notes, capitalised costs have been disclosed as 'Other intangible assets'. These costs are Mining Rights by nature (an intangible asset). Prior year comparatives have been adjusted accordingly.

The company has a Mining tenements, exploration, evaluation and development balance of \$148,252,863 (2008: \$109,236,906).

In the prior year balance sheet and associated notes, 'Mining tenements, exploration, evaluation and development' was treated as a class of 'Property, plant and equipment'. In the current year, the above balance has been split into Mining Right (an intangible asset) and Development costs (a class of Property, plant and equipment) for more meaningful disclosure. Prior year comparatives have also been adjusted.

## 24. Parent entities

The parent entity is Mitsui Coal Holdings Pty Ltd

The ultimate parent entity is Mitsui & Co. Ltd, a company incorporated in Japan.

## 25. Additional company information

Mitsui Maura Investment Pty Ltd is a proprietary company, incorporated and operating in Australia.

### Registered office and place of business

Level 12

240 Queen Street

Brisbane QLD 4000

### Operations and Principal Activities

The consolidated entity operates predominantly in one industry being the coal mining industry in Australia. The results of operations and the assets used in those operations are all related to the Australian geographical region.