

AMP Group Finance Services Limited

ABN 95 084 247 914

Directors' report and Financial report for the half year ended 30 June 2019

AMP Group Finance Services Limited
DIRECTORS' REPORT
for the half year ended 30 June 2019

Your directors present their report of AMP Group Finance Services Limited ("the Company") for the half year ended 30 June 2019.

Directors

The directors of the Company during the half year ended 30 June 2019 and up to the date of this report are shown below. Directors were in office for this entire period except where stated otherwise.

James Georgeson (Chairman)
Jason Bounassif (appointed 1 Aug 2019)
Gordon Lefevre (resigned 1 Aug 2019)
John O'Farrell

Principal activities

The principal activities of the Company during the half year were to undertake financial risk management and treasury activities for the AMP Limited Group (the AMP Group). There have been no significant changes in these activities during the half year.

Review of operations and results

The result for the half year ended 30 June 2019 was a net loss after tax of \$34.0m (2018: net loss after tax of \$7.0m).

Events occurring after the reporting date

At the date of this report, the directors are not aware of any matter or circumstance that have arisen since the reporting date that has significantly affected, or may significantly affect, the entity's operations in future years; the results of those operations in future years; or the Company's state of affairs in future years.

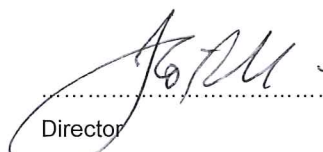
Rounding

In accordance with the Australian Securities and Investments Commission Corporations Instrument 2016/191, amounts in this directors' report and the accompanying financial report have been rounded to the nearest hundred thousand Australian dollars, unless stated otherwise.

Auditor's independence

The directors have obtained an independence declaration from the Company's auditor, Ernst & Young, a copy of which is attached to this report and forms part of the directors' report for the half year ended 30 June 2019.

Signed in accordance with a resolution of the directors.


.....
Director
Sydney, 12 September 2019



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of AMP Group Finance Services Limited

As lead auditor for the review of the half-year financial report of AMP Group Finance Services Limited for the half-year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

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

Ernst & Young

Clare Sporle
Partner
12 September 2019

AMP Group Finance Services Limited

ABN 95 084 247 914

Financial report for the half year ended 30 June 2019

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Registered Office:
33 Alfred Street
Sydney NSW 2000 Australia

AMP Group Finance Services Limited is a company limited by shares and is incorporated and domiciled in Australia.

Statement of comprehensive income

for the half year ended 30 June 2019

		30 Jun 2019 \$m	30 Jun 2018 \$m
	Note		
Interest income calculated using the effective interest method	2	10.2	9.8
Other interest income	2	11.0	4.1
Finance costs calculated using the effective interest method	2	(20.5)	(22.0)
Other finance costs	2	(30.4)	(9.6)
Net finance costs		(29.7)	(17.7)
Foreign exchange gains (losses)		4.2	(5.7)
Derivatives (losses) gains ¹		(24.3)	11.0
Share of profit of associates accounted for using the equity method		-	1.8
Distributions and net gains on unlisted managed investment schemes		0.2	-
Other income		1.5	0.8
Operating expenses		(0.5)	(0.2)
Loss for the period before income tax		(48.6)	(10.0)
Income tax credit	3	14.6	3.0
Loss for the period		(34.0)	(7.0)

Other comprehensive income**Items that may be reclassified subsequently to profit or loss**

Cash flow hedges			
- net gain or loss on cash flow hedge		0.3	(4.0)
- tax effect on cash flow hedge gain or loss		(0.1)	1.2
Other comprehensive income (loss) for the period		0.2	(2.8)
Total comprehensive loss for the period		(33.8)	(9.8)

1 Derivatives (losses) gains includes fair value and foreign currency movements on Borrowings and subordinated debt in effective hedging relationships.

Statement of financial position

as at 30 June 2019

		30 Jun 2019 \$m	31 Dec 2018 \$m
	Note		
Current assets			
Cash and cash equivalents		263.4	181.1
Other assets		1.5	1.2
Financial assets measured at amortised cost			
- Negotiable certificates of deposit		94.9	132.6
- Floating rate notes		-	92.1
- Receivables	4	1,051.5	1,076.2
Financial assets measured at fair value through profit and loss			
- Investments in unlisted managed investment schemes		0.1	128.5
- Derivative financial assets		71.3	35.7
Intercompany tax receivable from head entity		14.9	-
Total current assets		1,497.6	1,647.4
Non-current assets			
Financial assets measured at amortised cost			
- Receivables	4	826.1	374.8
Deferred tax assets	3	1.3	1.4
Total non-current assets		827.4	376.2
Total assets		2,325.0	2,023.6
Current liabilities			
Financial liabilities measured at amortised cost			
- Payables	5	996.3	846.9
- Borrowings and subordinated debt	6	202.0	749.1
- Collateral deposits held		87.0	33.7
Financial liabilities measured at fair value through profit and loss			
- Derivative financial assets		75.4	38.9
Intercompany tax payable to head entity		-	1.4
Total current liabilities		1,360.7	1,670.0
Non-current liabilities			
Financial liabilities measured at amortised cost			
- Borrowings and subordinated debt	6	940.8	296.3
Total non-current liabilities		940.8	296.3
Total liabilities		2,301.5	1,966.3
Net assets		23.5	57.3
Equity			
Issued capital	7	400.0	400.0
Reserves		(2.9)	(3.1)
Accumulated losses		(373.6)	(339.6)
Total equity		23.5	57.3

Statement of changes in equity

for the half year ended 30 June 2019

	Issued capital \$m	Cash flow hedge reserve \$m	Retained earnings (accumulated losses) \$m	Total shareholder equity \$m
30 June 2019				
Balance at 31 December 2018	400.0	(3.1)	(339.6)	57.3
Loss for the period	-	-	(34.0)	(34.0)
Other comprehensive income	-	0.2	-	0.2
Total comprehensive loss	-	0.2	(34.0)	(33.8)
Balance at 30 June 2019	400.0	(2.9)	(373.6)	23.5
30 June 2018				
Balance at 31 December 2017	One dollar	-	(347.3)	(347.3)
Impact of adoption of new accounting standards	-	-	10.4	10.4
Balance at 1 January 2018	One dollar	-	(336.9)	(336.9)
Ordinary share capital issued	400.0	-	-	400.0
Loss for the period	-	-	(7.0)	(7.0)
Other comprehensive loss	-	(2.8)	-	(2.8)
Total comprehensive loss	-	(2.8)	(7.0)	(9.8)
Balance at 30 June 2018	400.0	(2.8)	(343.9)	53.3

AMP Group Finance Services Limited
Statement of cash flows
for the half year ended 30 June 2019

	30 Jun 2019 \$m	30 Jun 2018 \$m
Cash flows from operating activities		
Interest and other items of a similar nature received	12.8	14.6
Interest paid and other finance costs	(38.2)	(25.3)
Other items	(0.7)	0.1
Cash flows used in operating activities before changes in operating assets and liabilities	(26.1)	(10.6)
Changes in operating assets and liabilities arising from cashflow movements		
(Increase) decrease in receivables - related	(364.1)	42.5
Increase (decrease) in payables - related	146.7	(26.2)
Net receipt of collateral deposits	(0.9)	0.1
Net movement in derivative financial assets and liabilities	(3.3)	8.8
Net movement in other payables	0.1	(0.1)
Cash flows (used in) from operating activities	(247.6)	14.5
Cash flows from investing activities		
Net proceeds from sale of (payments to acquire):		
- investments in financial assets measured at fair value through profit or loss - related	128.6	-
- investments in associates accounted for using the equity method	-	(324.9)
- negotiable certificate of deposit	37.8	(445.9)
- floating rate notes	92.1	-
Cash flows from (used in) investing activities	258.5	(770.8)
Cash flows from financing activities		
(Repayments) proceeds from borrow ing - syndicated loan facility	(500.0)	250.0
Net redemption of commercial paper	(61.9)	(82.8)
Proceeds from issue of share capital	-	400.0
Proceeds from borrow ings - medium term notes	633.3	146.5
Cash flows from financing activities	71.4	713.7
Net increase (decrease) in cash and cash equivalents	82.3	(42.6)
Cash and cash equivalents at the beginning of the period	181.1	241.0
Cash and cash equivalents at the end of the period	263.4	198.4

Notes to the financial statements (continued)

for the half year ended 30 June 2019

1. Basis of preparation and summary of significant accounting policies

AMP Group Finance Services Limited ("the Company" or 'AMPGFS') is an unlisted public company limited by shares, incorporated and domiciled in Australia. The Company conducts business in Australia. The parent entity of the Company is AMP Group Services Limited. The ultimate parent entity is AMP Limited.

The Company operated wholly in one segment. The principal activities of the Company are described in the Directors' report.

This general purpose financial report has been prepared in accordance with the *Corporations Act 2001* and AASB134 *Interim Financial Reporting*. The Company is a for-profit entity for the purposes of preparing financial statements.

This half year financial report does not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the Company as that given by the annual financial report. As a result, this report should be read in conjunction with the 2018 annual financial report of the Company.

Comparative information has been reclassified where required for consistency with the current half year's presentation. The principal accounting policies and methods of computation adopted in the preparation of the 2019 half year financial report are consistent with the accounting policies and methods of computation adopted in the preparation of the 2018 annual financial report.

Notes to the financial statements (continued)

for the half year ended 30 June 2019

2. Net finance costs

	30 Jun 2019 \$m	30 Jun 2018 \$m
Interest Income		
Interest income calculated using the effective interest method		
- related	6.0	6.6
- other	4.2	3.2
Other interest income	11.0	4.1
Total interest income	21.2	13.9
Finance costs on borrowings and subordinated debt		
Finance costs calculated using the effective interest method		
- related	(5.7)	(5.2)
- other	(14.8)	(16.8)
Other finance costs	(30.4)	(9.6)
Total finance costs	(50.9)	(31.6)

3. Income tax

	30 Jun 2019 \$m	30 Jun 2018 \$m
(a) Relationship between income tax and accounting profit or loss		
Loss from continuing operations before income tax	(48.6)	(10.0)
Prima facie tax credit at 30% (2018: 30%)	14.6	3.0
Income tax credit per Statement of comprehensive income	14.6	3.0

	30 Jun 2019 \$m	31 Dec 2018 \$m
(b) Analysis of deferred tax assets		
Expenses deductible in future years	0.1	0.1
Unrealised movements on borrowings	1.2	1.3
Total deferred tax assets	1.3	1.4

	30 Jun 2019 \$m	30 Jun 2018 \$m
(c) Amounts recognised directly in equity		
Deferred income tax (expense) credit related to items taken directly to equity during the current period	(0.1)	1.2

4. Receivables

	30 Jun 2019 \$m	31 Dec 2018 \$m
Intercompany loan receivables	1,772.3	1,410.1
Receivables-other ¹	105.3	40.9
Total receivables²	1,877.6	1,451.0

1 Includes collateral deposits of \$94.2m (2018: \$40.1m).

2 The receivables are presented net of ECL of \$0.2m (2018:\$0.2m).

Notes to the financial statements (continued)

for the half year ended 30 June 2019

5. Payables

	30 Jun 2019 \$m	31 Dec 2018 \$m
Intercompany loan payables	993.2	846.3
Payables- other	3.1	0.6
Total payables	996.3	846.9

6. Borrowings and subordinated debt

	30 Jun 2019 \$m	31 Dec 2018 \$m
(a) Borrowings and subordinated debt		
6.875% GBP Subordinated Guaranteed Bonds (maturity 2022)	67.8	65.3
Syndicated loan facility	-	487.8
USD Medium Term Notes ¹	437.8	-
CHF Medium Term Notes ²	445.4	232.8
Commercial paper	191.8	259.5
Total borrowings and subordinated debt	1,142.8	1,045.4

1 USD 300m 4 per cent Notes were issued on 14 March 2019 and mature 14 September 2021.

2 CHF 110m and CHF 50m Senior Unsecured Fixed Rate Bonds were issued on 19 June 2018 and 19 September 2018 respectively, and mature 19 December 2022. CHF 140m Senior Unsecured Fixed Rate Bonds were issued on 18 April 2019 and mature 18 July 2023.

(b) Financing arrangements

	30 Jun 2019 \$m	31 Dec 2018 \$m
(i) Bilateral facilities		
- Available	1,000.0	600.0
- Used	-	-
Unused	1,000.0	600.0
(ii) Funding programs available:		
- Available	14,980.0	14,914.3
- Used ¹	(3,400.3)	(3,343.0)
Unused	11,579.7	11,571.3

1 Financing is available under funding programs in place for the Company and another company in the AMP group. The amount of the funding programs used by the Company is \$1,060m (2018: \$480m). The remainder of the used amount relates to the other company.

7. Issued capital

	30 Jun 2019 \$m	31 Dec 2018 \$m
Total issued capital		
2 (2018: 2) fully paid ordinary share	400.0	400.0
Balance at the end of the period	400.0	400.0

Holders of ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

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

Notes to the financial statements (continued)

for the half year ended 30 June 2019

8. Fair value information

The following table shows the carrying amount and estimated fair values of financial instruments, including the levels in the fair value hierarchy.

	Carrying amount \$m	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total fair value \$m
30 June 2019					
Financial assets measured at fair value					
<i>Financial assets measured at fair value through profit and loss</i>					
Investment in unlisted managed investment schemes	0.1	-	0.1	-	0.1
Derivative financial assets	71.3	-	71.3	-	71.3
Total financial assets measured at fair value	71.4	-	71.4	-	71.4
Financial assets not measured at fair value					
<i>Financial assets measured at amortised cost</i>					
Negotiable certificates of deposit	94.9	-	94.9	-	94.9
Receivables	1,877.6	-	1,877.6	-	1,877.6
Total financial assets not measured at fair value	1,972.5	-	1,972.5	-	1,972.5
Financial liabilities measured at fair value					
<i>Financial liabilities measured at fair value through profit and loss</i>					
Derivative financial liabilities	75.4	-	75.4	-	75.4
Total financial liabilities measured at fair value	75.4	-	75.4	-	75.4
Financial liabilities not measured at fair value					
<i>Financial liabilities measured at amortised cost</i>					
Borrowings and subordinated debt	1,142.8	-	1,144.0	-	1,144.0
Collateral deposits held	87.0	-	87.0	-	87.0
Payables	996.3	-	996.3	-	996.3
Total financial liabilities not measured at fair value	2,226.1	-	2,227.3	-	2,227.3
31 December 2018					
Financial assets measured at fair value					
<i>Financial assets measured at fair value through profit and loss</i>					
Investment in unlisted managed investment schemes	128.5	-	128.5	-	128.5
Derivative financial assets	35.7	-	35.7	-	35.7
Total financial assets measured at fair value	164.2	-	164.2	-	164.2
Financial assets not measured at fair value					
<i>Financial assets measured at amortised cost</i>					
Negotiable certificates of deposit	132.6	-	132.6	-	132.6
Floating rate notes	92.1	-	92.1	-	92.1
Receivables	1,451.0	-	1,451.0	-	1,451.0
Total financial assets not measured at fair value	1,675.7	-	1,675.7	-	1,675.7
Financial liabilities measured at fair value					
<i>Financial liabilities measured at fair value through profit and loss</i>					
Derivative financial liabilities	38.9	-	38.9	-	38.9
Total financial liabilities measured at fair value	38.9	-	38.9	-	38.9
Financial liabilities not measured at fair value					
<i>Financial liabilities measured at amortised cost</i>					
Borrowings and subordinated debt	1,045.4	-	1,064.5	-	1,064.5
Collateral deposits held	33.7	-	33.7	-	33.7
Payables	846.9	-	846.9	-	846.9
Total financial liabilities not measured at fair value	1,926.0	-	1,945.1	-	1,945.1

Notes to the financial statements (continued)

for the half year ended 30 June 2019

8. Fair value information (continued)

The company's methodology and assumptions used to estimate the fair value of financial instruments are described below:

<i>Negotiable certificates of deposit (NCD)</i>	The fair value of NCDs represents the discounted amount of estimated future cash flows expected to be received, based on the maturity profile of the NCDs. For short term NCDs, the fair value is the par value plus any accrued interest. All NCDs held at 30 June 2019 were short term.
<i>Floating rate notes</i>	The fair value of floating rate notes represents the discounted amount of estimated future cash flows expected to be received, based on the maturity profile of the floating rate notes. For short term floating rate notes, the fair value is the par value plus any accrued interest.
<i>Receivables and payables</i>	Receivables/payables primarily represents loans to/from entities within the AMP Limited Group. For balances receivable/payable on demand, the fair value is the outstanding balance. For balances not receivable/payable on demand, fair value is estimated with reference to a discounted cash flow model using discount rates appropriate for the respective counterparties and the terms to maturity.
<i>Investments in unlisted managed investment schemes</i>	The fair value of investments in unlisted managed investment schemes is determined on the basis of published redemption prices of those managed investment schemes at the reporting date.
<i>Derivative financial assets and liabilities</i>	The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices (current bid price or current offer price) at the reporting date. The fair value of financial instruments not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques. Valuation techniques include net present value techniques, option pricing models, forward pricing, swap models, discounted cash flow methods and comparison to quoted market prices or dealer quotes for similar instruments. The models use a number of inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying instruments. Some derivative contracts are significantly cash collateralised, thereby minimising both counterparty risk and the Company's own non-performance risk.
<i>Borrowings and subordinated debt</i>	Borrowings can comprise commercial paper, drawn liquidity facilities, various floating-rate and medium-term notes, and subordinated debt. The estimated fair value of borrowings and subordinated debt is determined with reference to quoted market prices at the reporting date. For borrowings and subordinated debt where quoted market prices are not available, a discounted cash flow model is used, based on a current yield curve appropriate for the remaining term to maturity. For short term borrowings and subordinated debt, the par value is considered a reasonable approximation of the fair value.

The financial assets and liabilities measured at fair value are categorised using the fair value hierarchy which reflects the significance of inputs into the determination of fair value as follows:

- Level 1: the fair value is valued by reference to quoted prices and active markets for identical assets or liabilities;
- Level 2: the fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There have been no significant transfers between Level 1 and Level 2 during the 2019 financial half year.

Notes to the financial statements (continued)

for the half year ended 30 June 2019

9. Transactions with related parties

The company has transactions with related parties including controlled entities and associated entities. Most of those related party activities are provision of inter-company loans to companies within the AMP group. Other related party transactions are in respect of administrative services provided by fellow controlled entities in the AMP group.

a) Incomes and expenses transactions with related parties

	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
	Interest income from related parties		Other income from related parties		Distributions and net gains or losses on unlisted managed investment		Share of profit from investment at associate		Interest expense to related parties	
Fellow subsidiaries of AMP Limited	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AMP Limited	-	-	-	-	-	-	-	-	3,387	3,951
AMP Advice Holdings Pty Limited	609	-	-	777	-	-	-	-	-	-
AMP Capital Holdings Limited	-	2,172	-	-	-	-	-	-	-	-
AMP Capital Finance Limited	5,436	4,472	677	-	-	-	-	-	-	-
AMP AAPH Limited	-	-	-	-	-	-	-	-	2,330	1,271
AMP Capital Shareholders' Cash Fund	-	-	-	-	166	-	-	1,767	-	-
Total	6,045	6,643	677	777	166	-	-	1,767	5,717	5,222

b) Investments and balances with related parties

	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
	Amounts owed by related parties		Amounts owed to related parties		Intercompany tax receivable from head entity		Intercompany tax payable to head entity	
Fellow subsidiaries of AMP Limited	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AMP Limited	-	-	565,068	506,645	14,900	1,422	-	-
AMP Group Holdings Limited	824,120	724,620	-	-	-	-	-	-
AMP Finance Services Limited	2,025	1,570	-	-	-	-	-	-
AMP Services Limited	362,465	131,247	-	-	-	-	-	-
AMP Wealth Management Holdings Pty Limited	-	-	80,000	-	-	-	-	-
AMP Financial Services Holding Limited	183,422	177,569	-	-	-	-	-	-
AMP Advice Holdings Pty Limited	137,419	12,199	178,452	200,000	-	-	-	-
AMP Life Limited	-	307	-	-	-	-	-	-
National Mutual Funds Management (Global) Limited	-	-	30,000	-	-	-	-	-
AMP Capital Finance Limited	262,937	362,612	-	-	-	-	-	-
AMP AAPH Limited	-	-	139,656	139,633	-	-	-	-
AMP Capital Shareholders' Cash Fund	-	-	-	-	-	-	-	128,447
Total	1,772,388	1,410,124	993,176	846,278	14,900	1,422	-	128,447

10. Events occurring after the reporting date

As at the date of this report, the directors are not aware of any matter or circumstance that has arisen since the reporting date that has significantly affected or may significantly affect the Company's operations in future years, the results of its operations in future years, or the Company's state of affairs in future years which is not already reflected in this report.

AMP Group Finance Services Limited
Directors' declaration
for the half year ended 30 June 2019

In accordance with a resolution of the directors of AMP Group Finance Services Limited, we state for the purposes of Section 303(4) of the *Corporations Act 2001* that, in the opinion of the directors:

- (a) there are reasonable grounds to believe that AMP Group Finance Services Limited will be able to pay its debts as and when they become due and payable; and
- (b) the financial statements and the notes of AMP Group Finance Services Limited for the financial half year ended 30 June 2019 are in accordance with the *Corporations Act 2001*, including Section 304 (compliance with accounting standards) and Section 305 (true and fair view).



.....
Director

Sydney, 12 September 2019

Independent Auditor's Review Report to the Members of AMP Group Finance Services Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of AMP Group Finance Services Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

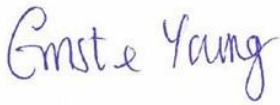
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2019 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



Ernst & Young



Clare Sporle
Partner
Sydney
12 September 2019