WHOLESALE AUSTRALIAN PROPERTY FUND

DIRECTORS' REPORT AND FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

ARSN 088 996 392

AMP Capital Funds Management Limited
Level 30, 50 Bridge Street
Sydney, NSW 2000
ACN 159 557 721

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DIRECTORS' REPORT

The Directors of AMP Capital Funds Management Limited ("the Responsible Entity") present their report together with the Financial Report of Wholesale Australian Property Fund (the "Scheme"), and its controlled entity (the "Group"), for the financial year ended 30 June 2022.

AMP Capital Funds Management Limited (ABN 15 159 557 721) was appointed responsible entity of the Scheme replacing National Mutual Funds Management Limited (ABN 32 006 787 720) ("the Former Responsible Entity") on 11 April 2022, when the Australian Securities & Investments Commission ("ASIC") updated its records of scheme registration.

Directors

The following persons were Directors of AMP Capital Funds Management Limited at all times from the period 1 July 2021 and to the date of this Directors' Report, unless otherwise stated:

Ming Yen Long	Non-Executive Director	
Robert Victor McKinnon	Non-Executive Director	
Kylie Blanche O'Connor	Executive Director	Resigned 25 March 2022 (alternate director for Simon Christopher Warner)
Aideen Teresa O'Donovan	Executive Director	Appointed 22 March 2022
Peter Joseph Seymour Rowe	Non-Executive Director	
Simon Christopher Warner	Executive Director	Resigned 25 March 2022

The following persons were Directors of National Mutual Funds Management Limited at all times during the period from 1 July 2021 to 11 April 2022 when it was responsible entity of the Scheme, unless otherwise stated:

Jason Bounassif	Executive Director	
David Clark	Executive Director	Resigned 6 October 2021
James Gladstone Georgeson	Executive Director	Resigned 6 October 2021
Anna Lee Shelley	Executive Director	Appointed 17 September 2021
Jason Brett Sommer	Executive Director	Appointed 5 October 2021

Scheme Information

Wholesale Australian Property Fund is an Australian Registered Scheme. AMP Capital Funds Management Limited, the responsible entity of the Scheme, is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at Level 30, 50 Bridge Street, Sydney, NSW 2000.

Principal Activity

The principal activity of the Group is to invest funds in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of the Scheme's Constitution.

The Group invests primarily in direct properties (office, industrial, and retail), together with investments in ASX-listed Australian Real Estate Investment Trusts ("AREITs") and cash and cash equivalents. There has been no significant change in the nature of this activity during the financial year.

Review of Results and Operations

The Group derived a net profit attributable to unitholders after finance costs of $191,355,000 for the financial year ended 30 June 2022 (30 June 2021: net profit of $177,092,000).

During the financial year the Scheme received applications for new unit issues totalling $289,631,000 (215,030,966 units), (30 June 2021: $231,476,000; 183,387,805 units) and redemptions of units totalling $259,619,000 (193,459,890 units), (30 June 2021: $675,783,000; 541,385,382 units).

COVID-19 Pandemic

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The resulting disruptions to social gatherings and travel are having an ongoing impact on both domestic and global economies, impacting many Australian businesses and communities including certain businesses to which the Group is exposed. Refer to Note 1 to the Financial Statements for further details on the impact of COVID-19 on the Group.

Distributions to Unitholders

Distributions to unitholders by the Scheme for the financial year ended 30 June 2022 were $70,745,000 (30 June 2021: $83,249,000). Returns of capital to unitholders by the Scheme for the financial year were $14,354,000 (30 June 2021: $4,508,000). The Scheme operates a distribution reinvestment plan ("DRP") in accordance with the Scheme's Constitution. Distributions paid for September 2021, December 2021 and March 2022 quarters comprised cash disbursements of $49,564,000 and a reinvestment by participating unitholders under the DRP of $2,498,000. Distributions payable for the June 2022 quarter comprised a cash disbursement of $17,721,000 and a reinvestment by participating unitholders under the DRP of $962,000.

Significant Changes in the State of Affairs

On 11 April 2022, National Mutual Funds Management Limited retired as responsible entity and AMP Capital Funds Management Limited was appointed as the replacement responsible entity. AMP Capital Funds Management Limited acts as the responsible entity for other real estate and infrastructure registered schemes which are managed by AMP Capital Investors Limited. There is no change in investment manager or the investment strategy of the Group; and key personnel, systems and resources remain the same. No amendments to the constitution of the Scheme are required to implement the change of responsible entity.

On 27 April 2022, AMP Limited announced it had entered into an agreement for the sale of AMP Capital's real estate and domestic infrastructure equity business to Dexus Funds Management Limited which is expected to complete during the second half of 2022. The terms of the agreement include the sale of the Scheme's responsible entity, AMP Capital Funds Management Limited and the Scheme's investment manager, AMP Capital Investors Limited.

There have been no other significant changes in the state of affairs of the Group during the financial year ended 30 June 2022.

Significant Events After the Balance Date

As at the date of this report, the Directors are not aware of 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 Group, the results of its operations or its state of affairs, which is not already reflected in the Financial Report.

Likely Developments and Expected Results

The investment strategy of the Scheme will be maintained in accordance with the Scheme's Constitution. Currently, there are no significant developments expected in respect of the Group not already disclosed to unitholders. The performance of the Group and the value of its assets in the future will be subject to movements in the underlying property markets over time.

Environmental Regulation and Performance

There are adequate systems in place to manage the Group's environmental responsibilities. The Directors of the Responsible Entity are not aware of any material breach or non-compliance with environmental regulations applicable to the Group.

Relevant Information

Following is a list of relevant information required under the Corporations Act:

- Fees paid to the Responsible Entity - Refer to Note 15 to the Financial Statements
- Units held by the Responsible Entity in the Scheme - Refer to Note 15 to the Financial Statements
- Units issued in the Scheme during the financial year - Refer to Note 10 to the Financial Statements
- Units withdrawn from the Scheme during the financial year - Refer to Note 10 to the Financial Statements
- The value of the Scheme's assets and basis of valuation - Refer to the Statement of Financial Position and Note 1 respectively
- The number of units in the Scheme as at 30 June 2022 - Refer to Note 10 to the Financial Statements
- Distributions payable to unitholders at the balance date - Refer to the Statement of Financial Position

These notes have been presented in accordance with ASIC Corporations (Directors' Report Relief) Instrument 2016/188.

Indemnification and Insurance of Directors and Officers

Under their Constitutions, National Mutual Funds Management Limited and AMP Capital Funds Management Limited ("the Companies") indemnify, to the extent permitted by law, all current and former officers of each Company (including the directors) against any liability (including the reasonable costs and expenses of defending proceedings for an actual or alleged liability) incurred in their capacity as an officer of each Company. This indemnity is not extended to current or former employees of the AMP group against liability incurred in their capacity as an employee, unless approved by or on behalf of the AMP Limited Board.

During, and since the end of, the year ended 30 June 2022, AMP Limited (the Companies' ultimate parent company) maintained, and paid the premium for, directors' and officers' and company reimbursement insurance for the benefit of all of the officers of the AMP group (including each director, secretary and senior manager of each Company) against certain liabilities (including legal costs) as permitted by the Corporations Act 2001. The insurance policy prohibits disclosure of the nature of the liabilities covered, the amount of the premium payable and the limit of liability.

In addition, AMP Group Holdings Limited ("AMPGH") and each of the current and former directors and secretaries of each Company are parties to deeds of indemnity, insurance and access. Those deeds provide that:

- these officers will have access to Board papers and specified records of each Company (and of certain other companies) for their period of office and for at least ten (or, in some cases, seven) years after they cease to hold office (subject to certain conditions);
- AMPGH indemnifies the relevant officers to the extent permitted by law, and to the extent and for the amount that the relevant officer is not otherwise entitled to be, and is not actually, indemnified by another person;
- the indemnity covers liabilities (including legal costs) incurred by the relevant officer in their capacity as a current or former director or secretary of each Company, or of another AMP group company or, an AMP representative of an external company; and
- the AMP group will maintain directors' and officers' insurance cover for those officers, to the extent permitted by law, for the period of their office and for at least ten years after they cease to hold office.

Auditor's Independence Declaration

We have obtained an independence declaration from our auditors, Ernst & Young, a copy of which is attached to this report and forms part of the Directors' Report for the financial year ended 30 June 2022.

Rounding

The amounts contained in the Directors' Report and the Financial Report have been rounded under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Group is an entity to which the instrument applies, and in accordance with the instrument, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars (where rounding is appropriate).

Signed in accordance with a resolution of the Directors:

Director

21 September 2022, Sydney

Ernst & Young
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Sydney NSW 2000 Australia
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Auditor's independence declaration to the Directors of AMP Capital Funds Management Limited, the Responsible Entity of Wholesale Australian Property Fund

As lead auditor for the audit of the financial report of Wholesale Australian Property Fund for the financial year ended 30 June 2022, 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Wholesale Australian Property Fund and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Anthony Ewan
Partner
Sydney
21 September 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Consolidated	
		30 June 2022	30 June 2021
	Notes	$'000	$'000
REVENUE AND OTHER INCOME			
Property revenue	2	116,763	120,759
Recovery of property expenses	2	27,590	28,481
Distribution income		37	227
Interest income		454	98
Total revenue		**144,844**	**149,565**
Net changes in the fair value of investment property	6	119,785	85,088
Net changes in the fair value of listed equity securities	7	224	10,012
Total revenue and other income		**264,853**	**244,665**
EXPENSES			
Property expenses and outgoings	2	(48,092)	(44,367)
Management fees	15(c)	(14,445)	(14,520)
Custodian fees	15(c)	(761)	(724)
Other expenses		(313)	(294)
Total expenses		**(63,611)**	**(59,905)**
NET PROFIT ATTRIBUTABLE TO UNITHOLDERS BEFORE FINANCE COSTS		**201,242**	**184,760**
Finance costs on external borrowings		(9,887)	(7,668)
NET PROFIT ATTRIBUTABLE TO UNITHOLDERS AFTER FINANCE COSTS		**191,355**	**177,092**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**191,355**	**177,092**

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

		Consolidated	
		30 June 2022	30 June 2021
	Notes	$'000	$'000
CURRENT ASSETS			
Cash and cash equivalents		13,674	5,380
Receivables	4	10,303	11,814
Investment property	6	1,000	-
Financial assets measured at fair value through profit or loss			
Listed equity securities	7	-	2,613
Other financial assets – Rosehill disposal proceeds receivable	8	-	35,750
Total Current Assets		**24,977**	**55,557**
NON-CURRENT ASSETS			
Investment property	6	2,175,179	2,007,308
Total Non-Current Assets		**2,175,179**	**2,007,308**
TOTAL ASSETS		**2,200,156**	**2,062,865**
CURRENT LIABILITIES			
Payables	5	25,566	28,864
Distributions payable	3	18,683	20,957
Returns of capital payable	3	2,852	144
Interest bearing liabilities	9	64,922	-
Total Current Liabilities		**112,023**	**49,965**
NON-CURRENT LIABILITIES			
Interest bearing liabilities	9	433,680	497,932
Total Non-Current Liabilities		**433,680**	**497,932**
TOTAL LIABILITIES		**545,703**	**547,897**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS – EQUITY	10	**1,654,453**	**1,514,968**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Consolidated	
		30 June 2022	30 June 2021
	Notes	$'000	$'000
Balance at the beginning of the financial year – Equity		1,514,968	1,866,764
Net profit attributable to unitholders		191,355	177,092
Other comprehensive income		-	-
Total comprehensive income for the financial year		**191,355**	**177,092**
Applications		289,631	231,476
Distributions to unitholders reinvested		3,217	3,176
Redemptions		(259,619)	(675,783)
Distributions to unitholders	3	(70,745)	(83,249)
Returns of capital	3	(14,354)	(4,508)
		(51,870)	(528,888)
Balance at the end of the financial year – Equity	10	**1,654,453**	**1,514,968**

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Notes	Consolidated 30 June 2022 $'000	Consolidated 30 June 2021 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		161,492	168,541
Payments to suppliers and other expenses paid (inclusive of GST)		(68,573)	(59,518)
Management fees paid		(14,423)	(14,598)
Custodian fees paid		(734)	(786)
Finance costs on interest bearing liabilities paid		(8,519)	(6,367)
Distributions received		69	1,691
Interest income received		454	98
Net cash inflow from operating activities	14(a)	**69,766**	**89,061**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of listed equity securities		(1,473)	(7,218)
Proceeds from disposal of listed equity securities		4,310	134,635
Payments for acquisition of investment property		(800)	-
Payments for capital additions to investment property		(49,253)	(25,445)
Receipt of Rosehill disposal proceeds receivable		35,750	-
Net cash (outflow) / inflow from investing activities		**(11,466)**	**101,972**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from applications by unitholders		291,010	229,657
Payments for redemptions by unitholders		(259,554)	(675,783)
Proceeds from interest bearing liabilities		95,800	685,500
Repayments of interest bearing liabilities		(95,800)	(350,500)
Borrowing costs paid		(14)	(1,786)
Returns of capital paid		(11,646)	(16,936)
Distributions paid to unitholders		(69,802)	(74,079)
Net cash outflow from financing activities		**(50,006)**	**(203,927)**
Net increase/(decrease) in cash and cash equivalents		8,294	(12,894)
Cash and cash equivalents at the beginning of the financial year		5,380	18,274
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*		**13,674**	**5,380**

* Cash and cash equivalents include investments in unlisted cash trusts. Further details are disclosed in Note 1(l) Cash and Cash Equivalents and Note 15(b)(i) Related party holdings of the Group.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

(a) Basis of Preparation

This general purpose Financial Report has been prepared in accordance with the Scheme's Constitution and with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act. The Group is a for-profit entity for the purposes of preparing Financial Statements. The Financial Report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Financial Report has been prepared on the basis of the historical cost convention except for investment property, investments in listed equity securities and Rosehill disposal proceeds receivable. These are measured at fair value.

Changes in Australian Accounting Standards

The Group has adopted all mandatory standards and amendments for the financial year beginning 1 July 2021. Adoption of these standards and amendments has not had any material effect on the financial position or performance of the Group.

Australian Accounting Standards issued but not yet effective

There are no new Australian accounting standards or amendments issued but not yet effective that are expected to have a material impact on the Group.

(b) Principles of Consolidation

The consolidated Financial Report incorporates the assets and liabilities as at balance date and the results for the financial year of the Scheme ("parent entity") and its controlled entity. The Scheme and its controlled entity are referred to in the Financial Report as the "consolidated entity" or the "Group".

Control is achieved when the Scheme is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The acquisition method of accounting is used to account for the acquisition of a controlled entity by the parent entity. A controlled entity is consolidated from the date on which control is obtained and ceases when the Scheme loses control of the entity.

All transactions (including gains and losses) and balances between the parent entity and the controlled entity are eliminated. Accounting policies of the controlled entity are consistent with the policies adopted by the Scheme.

In the parent entity information note, investment in the controlled entity is accounted for at fair value based on the Net Tangible Assets of the controlled entity as at the end of each reporting period and fair value movements are taken to the Statement of Comprehensive Income.

(c) Investment Property

Investment property is held to earn revenue from rentals and/or for the purposes of capital appreciation. Investment property includes all directly held freehold properties, including investment properties under development, but excludes owner occupied properties and property held for sale in the ordinary course of business (inventory).

Initially, investment property is measured at cost including all transaction costs. Expenditure capitalised to investment property also comprises capital and refurbishment additions, and during development includes finance costs, related professional fees incurred and other directly attributable costs. Subsequent to initial recognition, investment property is measured at fair value at each balance date.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Investment Property (Continued)

The Responsible Entity's policy is to obtain independent fair value appraisals of the Group's properties on a rolling annual basis. The valuation schedule may be altered when a property is undergoing or being appraised for redevelopment, refurbishment or disposal; is experiencing other changes in asset or tenant profiles which may significantly impact value; or when there have been significant changes in the property market and broader economy such as updates to comparable property sales, which may have an impact on the individual asset values.

Fair value represents the price that would be received to sell an asset in an orderly transaction to another market participant. Fair value is determined by independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The valuers apply the 'capitalised income approach' by reference to annual net market income, comparable capitalisation rates and other property-specific adjustments as well as 'discounted cash flow analysis' where the expected net cash flows are discounted to their present value using a market-determined risk adjusted discount rate. These valuation approaches are used to arrive at a range of valuation outcomes, from which a best estimate of fair value is derived at a point in time.

The valuation processes applied in valuing investment property is governed by the AMP Capital Holdings Limited Asset Valuation Policy which has been adopted by the Responsible Entity or the Former Responsible Entity. This Policy outlines the asset valuation methodologies and processes applied to measure such assets. The Responsible Entity has valued the Scheme's investment property in accordance with the AMP Capital Holdings Limited Asset Valuation Policy as at 30 June 2022.

In addition, the Responsible Entity assesses the carrying value of each investment property at each balance date to ensure that its carrying value does not materially differ from its fair value. The net changes in values of investment property are taken to the Statement of Comprehensive Income and may comprise:

- change in fair values from revaluation of investment property; and
- fair value adjustments in relation to:
  - the straight-lining of fixed rental income;
  - tenant incentives including rent-free periods, landlord and tenant owned fit-out contributions; and
  - capitalised leasing fees.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount because the Group does not expect to be ultimately liable for capital gains tax in respect of the assets.

Investment property including land and buildings has the function of an investment and is regarded as a composite asset. Investment property is not required to be depreciated and therefore buildings and any component thereof (including plant and equipment) are not depreciated.

Investment property is derecognised at the point in time when control of the asset is transferred to the buyer. This will normally occur on settlement of the contract of sale. Investment property is revalued to the sale price when it is highly probable that the sale will be completed. This will normally occur on exchange of the contract of sale.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Significant Accounting Judgements, Estimates and Assumptions

The making of judgements, estimates and assumptions is a necessary part of the financial reporting process and these judgements, estimates and assumptions can have a significant effect on the reported amounts in the Financial Report. Estimates and assumptions are determined based on information available at the time of preparing the Financial Report and actual results may differ from these estimates and assumptions. Had different estimates and assumptions been adopted, this may have had a significant impact on the Financial Report. Significant accounting judgements, estimates and assumptions are re-evaluated at each balance date in light of historical experience and changes to reasonable expectations of future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant accounting judgements, estimates and assumptions include but are not limited to:

(i) Significant accounting judgements

Operating Lease Commitments – Group as Lessor

All investment properties owned by the Group are leased to third parties. The Group has determined that it retains all the significant risks and rewards of property ownership and has therefore classified the leases as operating leases.

(ii) Significant accounting estimates and assumptions

Fair value measurement of investment property

The estimation process for determining the fair value of investment properties is as described in Note 1(c).

Expected credit loss of receivables

The estimation process for determining the expected credit loss of receivables is as described in Note 1(g).

Fair value measurement of Rosehill disposal proceeds receivable

The estimation process for determining the fair value of Rosehill disposal proceeds receivable is as described in Note 1(s).

(e) Revenue

The following specific recognition criteria must be met before income is recognised:

Property revenue

Rents and recoveries of property expenses are recognised on terms in accordance with individual leases however, they are generally due on the first day of each month. Recoveries from tenants are recognised as income in the financial year the applicable costs are incurred.

Certain tenant allowances that are classified as lease incentives such as rent-free periods, fit-out contributions and upfront payments are capitalised and amortised over the term of the lease. The aggregate cost of incentives is recognised as a reduction to revenue from rents on a straight-line basis over the lease term. Revenue from leases with fixed rental increases are recognised on a straight-line basis over the lease term. Insurance recoveries for both loss of rent and capital expenditure are recognised when they become virtually certain.

Lease modifications related to the COVID-19 pandemic

A lease modification is defined in AASB 16 as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. In the context of the ongoing COVID-19 pandemic, a large number of lessees have obtained, or are expecting to obtain, some form of rent concessions from lessors. When an agreement is made between the Group and lessee to waive rent:

- rent waived that relates to future occupancy is spread over the remaining lease term and recognised on a straight-line basis; and
- rent waived that relates to past occupancy is expensed as a credit loss immediately, except to the extent of a pre-existing provision for expected credit losses relating to unpaid rent.

Property revenue is recognised by the Scheme for occupancy up to the date of the lease modification / rent waiver agreement. If there is not yet any agreement at the balance date, an allowance for expected credit loss may be recognised against any receivable for unpaid rent for past occupancy (refer to Note 1(g)).

Interest income

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

Distribution income

Distributions from listed equity securities are recognised as income on the date the unit is quoted ex-distribution.

Net changes in the fair value of financial instruments measured at fair value through profit or loss

Net changes in the fair value of financial instruments are recognised as income and are determined as the difference between the fair value at the balance date or consideration received (if sold during the financial year) and the fair value as at the prior balance date or initial fair value (if acquired during the financial year).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Listed equity securities

Listed equity securities include investments in listed real estate investment trusts. Listed equity securities are measured at fair value through profit or loss. The fair value is initially determined as the purchase cost of the financial asset, exclusive of any transaction costs. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Subsequently the fair value is determined by reference to the “bid” price of the security, as quoted on its primary exchange at the balance date. Any realised and unrealised gains and losses arising from subsequent measurement to fair value are recognised in the Statement of Comprehensive Income as ‘net changes in the fair value of listed equity securities' in the period in which they arise. The ‘net changes in the fair value of listed equity securities’ does not include the distribution income.

(g) Receivables

If not received at the balance date, revenue including property revenue is reflected in the Statement of Financial Position as receivables. Receivables are measured at amortised cost and are generally received within 30 days of being recognised as receivables. Given the short-term nature of most receivables, their carrying amounts approximate their fair values.

Impairment

An allowance for expected credit loss is made when there is objective evidence that the Group may not be able to collect the debts. This allowance approximates the lifetime expected credit loss of receivables. Bad debts are written off when identified less any allowance for expected credit loss.

COVID-19 pandemic

The Responsible Entity has determined the impact of the COVID-19 pandemic on the expected credit losses of the Group’s receivables at balance date, particularly in relation to potential rent waivers and deferrals.

Retail assets

At balance date, negotiations for tenant rent relief remain in progress and the Responsible Entity has made assumptions and applied judgements to estimate the expected level of rent waivers for the period to 30 June 2022. Rent waivers have been estimated for each investment property with reference to: existing in-principle agreements for rent relief with tenants that have not yet been executed; and for remaining rent relief, by considering tenant-specific factors to estimate expected waivers. In addition, specific allowances for expected credit losses were also estimated. Both these estimates were deducted from gross rent receivables to determine the net rent receivable exposure, being rent receivable balances not expected to be waived, for each investment property.

The Responsible Entity has assessed that there remains an increased level of credit risk in relation to the collection of these net rent receivable balances, including rent deferrals at 30 June 2022, and has made assumptions and applied judgements to estimate a further component of the expected credit loss provision.

Office and Logistics assets

The Responsible Entity has assessed that there remains an increased level of credit risk in relation to the collection of certain rent receivable balances at 30 June 2022. Specific allowances for expected credit losses, including allowances for significantly aged receivables, were estimated.

For further details on the movement in the allowance for expected credit loss of receivables, refer to Note 4.

(h) Expenses

Expenses including rates, taxes and other outgoings are recognised in the Statement of Comprehensive Income on an accrual basis.

(i) Leasing Fees

Leasing fees incurred in relation to the initial letting and ongoing renewal of major and specialty tenancies or following redevelopments are capitalised to the property and amortised over the lease periods to which they relate. The carrying amount of the leasing fees is reflected in the fair value of the investment property.

(j) Leasing Incentives

Leasing incentives, including those offered under development, are capitalised to the investment property balance and amortised over the lease periods to which they relate. The carrying amount of the lease incentives is reflected in the fair value of the investment property.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Recognition and Derecognition of Financial Assets and Liabilities

Financial assets and financial liabilities are recognised at the date the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership of the financial assets are passed to a third party.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Gains or losses arising on derecognition of financial assets and liabilities are recognised in the Statement of Comprehensive Income.

(l) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include deposits held at call with a bank or financial institution with an original maturity date of three months or less. Cash and cash equivalents also include investments in unlisted cash trusts (including related party holdings – refer to Note 15(b)(i)), which are readily convertible to cash on hand at the Responsible Entity's option and which the Responsible Entity uses in its day to day management of the Group's cash requirements.

(m) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Payables are measured at their nominal amounts. Amounts are generally paid within 30 days of being recognised as payables. Given the short-term nature of most payables, their nominal amounts approximate their fair values.

(n) Net Assets Attributable to Unitholders

Net assets attributable to unitholders comprise units on issue and undistributed reserves. The Scheme’s Constitution allows the Attribution Managed Investment Trust (“AMIT”) tax regime to apply to the Scheme and the AMIT eligibility criteria have been met. The Scheme’s Constitution has no contractual obligation for the Responsible Entity to distribute trust income to unitholders. As the Responsible Entity no longer has any contractual obligations to pay distributions, and the units on issue comprise one class of units with identical features which are equally subordinate to any other financial instruments on issue, the Group’s net assets attributable to unitholders have been classified as equity in accordance with AASB 132 Financial Instruments: Presentation.

Units requested to be redeemed remain in equity until the redemption is satisfied. The amount payable on redemption of units will be determined based on the net asset value of the Group as at the date the redemption is satisfied, and calculated in accordance with the withdrawal price formula set out in the Scheme’s Constitution.

(o) Taxation

Under tax legislation, the Scheme is generally not liable to pay income tax because the AMIT tax regime applies and unitholders are attributed the income of the Scheme.

(p) Distributions and Returns of Capital to Unitholders

Distributions and returns of capital are presented in the Statement of Changes in Net Assets Attributable to Unitholders. The Scheme’s Constitution has no contractual obligation for the Responsible Entity to distribute trust income to unitholders.

(q) Terms and Conditions of Units on Issue

Each unit confers upon the unitholder an equal interest in the Scheme (subject to income entitlements), and is of equal value. A unit does not confer an interest in any particular asset or investment of the Scheme.

Unitholders have various rights under the Scheme’s Constitution and the Corporations Act, which, subject to certain terms and conditions, include the right to:

- have their units redeemed
- attend and vote at meetings of unitholders
- participate in the termination and winding up of the Scheme.

Issued and paid up units are initially recognised at the fair value of the consideration received by the Scheme. Applications received for units in the Scheme are recognised net of any transaction costs arising on the issue of units in the Scheme. Redemptions from the Scheme are recognised gross of any transaction costs payable relating to the cancellation of units redeemed. Unit entry and exit prices are determined in accordance with the Scheme’s Constitution.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Goods and Services Tax ("GST")

All revenue, expenses and assets are recognised net of any GST paid, except where the GST incurred is not recoverable from the relevant tax authorities. In such circumstances, the GST paid is recognised as part of the cost of acquisition of the assets or as part of the relevant expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the tax authorities is included as a receivable or payable in the Statement of Financial Position.

Cash flows are disclosed on a gross basis reflecting any GST paid or collected. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, local tax authorities are classified as operating cash flows.

(s) Other Financial Assets – Rosehill Disposal Proceeds Receivable

Proceeds receivable from the disposal of 1B Unwin Street Rosehill (which was subject to a compulsory acquisition order from the NSW State government) is measured at fair value through profit or loss.

The fair value of proceeds receivable is initially determined as the carrying value of the investment property at point of disposal, exclusive of any transaction costs. Subsequent to initial recognition, the fair value was determined by reference to independent valuations of the property, which was subject to negotiation and agreement with the NSW State government.

Any realised or unrealised gains and losses arising from subsequent measurement to fair value are recognised in the Statement of Comprehensive Income in the period in which they arise.

(t) Interest Bearing Liabilities

Interest bearing liabilities are initially recognised at the fair value of the consideration received net of directly attributable transaction costs.

Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method. Under this method, fees, costs, discounts and premiums directly related to the interest bearing liability are spread over its expected life.

(u) Finance Costs on External Borrowings

Finance costs on external borrowings including interest on bank loans together with transaction costs are recognised as expenses in the period in which they are incurred except for: finance costs associated with the establishment and management of financial arrangements which are capitalised and amortised over the term of the loan using the effective interest method; and financing costs directly attributable to the acquisition, construction or production of qualifying assets of the Group which are capitalised in the carrying value of investment property.

(v) Rounding

Where indicated, the amounts in the Financial Report have been rounded to the nearest thousand dollars, under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

(w) Foreign Currencies

Items included in the Financial Report are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The presentation currency of this Financial Report, and the functional currency of the Group and the parent entity, is the Australian dollar.

NOTE 2: NET PROPERTY INCOME

	Consolidated	
	30 June 2022 **$'000**	**30 June 2021** **$'000**
Property revenue	116,763	120,759
Recovery of property expenses	27,590	28,481
Property expenses and outgoings [(a)]		
Expected credit loss expense [(b)]	(188)	(108)
Other property expenses and outgoings	(47,904)	(44,259)
	(48,092)	(44,367)
Net property income	**96,261**	**104,873**

(a) Property expenses and outgoings are direct operating expenses, including repairs & maintenance, and expected credit losses on receivables, arising from investment properties that generate rental income.

(b) The Group has recorded an expected credit loss expense which relate to COVID-19 rent waivers and deferrals granted to tenants. Refer to Note 1(e), Note 1(g) and Note 4 for details.

NOTE 3: DISTRIBUTIONS TO UNITHOLDERS AND RETURNS OF CAPITAL

During the financial year, income was distributed quarterly for the periods ending 31 March, 30 June, 30 September and 31 December.

Distributions:	**30 June 2022** **$'000**	**30 June 2021** **$'000**
Quarter ended 30 September – 1.57 cents per unit (2021: 1.47 cpu)	18,092	18,572
Quarter ended 31 December – 1.22 cents per unit (2021: 1.81 cpu)	14,238	22,070
Quarter ended 31 March – 1.66 cents per unit (2021: 1.81 cpu)	19,732	21,650
Quarter ended 30 June – 1.57 cents per unit (2021: 1.80 cpu)	18,683	20,957
	70,745	**83,249**

Returns of Capital:	**30 June 2022** **$'000**	**30 June 2021** **$'000**
Quarter ended 30 September – 0.24 cents per unit (2021: 0.34 cpu)	2,819	4,364
Quarter ended 31 December – 0.59 cents per unit (2021: 0.00 cpu)	6,837	-
Quarter ended 31 March – 0.15 cents per unit (2021: 0.00 cpu)	1,846	-
Quarter ended 30 June – 0.24 cents per unit (2021: 0.01 cpu)	2,852	144
	14,354	**4,508**

NOTE 4: CURRENT ASSETS - RECEIVABLES

	Consolidated	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Rent receivable	9,195	12,732
Allowance for expected credit loss[(a)]	(2,808)	(4,591)
	6,387	8,141
Distributions receivable	-	32
Applications receivable	440	1,819
Other receivables and prepayments	3,476	1,822
	10,303	**11,814**

	Consolidated	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
(a) Movement in allowance for expected credit loss:		
Balance at the beginning of the financial year	(4,591)	(8,457)
Net expected credit losses written off during the financial year	1,783	3,866
Balance at the end of the financial year	**(2,808)**	**(4,591)**

NOTE 5: CURRENT LIABILITIES - PAYABLES

	Consolidated	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Management fees payable	3,651	3,629
Custodian fees payable	385	358
Accrued property expenses	16,920	19,958
Interest payable	1,691	1,066
Redemption payable	65	-
Other payables and accrued expenses	2,854	3,853
	25,566	**28,864**

NOTE 6: INVESTMENT PROPERTY

Investment properties are categorised under a three-level fair value hierarchy, reflecting the availability of observable market inputs when determining their fair values (refer to Note 18 for details). All investment property held by the Group during the financial year has been categorised as a Level 3 asset.

Reconciliation of the carrying value for the financial year is as follows:

	Consolidated	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Carrying value at the beginning of the financial year	2,007,308	1,927,378
Acquisitions of investment property	800	-
Disposal of investment property	-	(35,750)
Capital expenditure incurred	47,723	32,647
Net gain from revaluations of investment property [(a)]	120,348	83,033
Carrying value at the end of the financial year	**2,176,179**	**2,007,308**

	Consolidated	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
(a) Net gain from revaluations of investment property:		
Net changes in the fair value of investment property	119,785	85,088
Movement in assets for lease incentives and straight-lining of rental income	563	(2,055)
Net gain from revaluations of investment property	**120,348**	**83,033**

The following table shows the cumulative costs and carrying values of individual properties as at the balance date. The Group holds freehold title to all of its properties except for Moore St, Canberra; Bond One, Walsh Bay; Grey Street, South Brisbane; and Stanley House, South Brisbane, for which the Group holds leasehold titles with remaining terms greater than 60 years.

Name	**Acquisition Date**	**Cost Including Additions**		**Date of Latest Valuation**			**Carrying Value 30 June 2022**
		$'000				**$'000**	**$'000**
Casula Mall Shopping Centre	Dec '88	70,584	Latest Valuation	30/06/22	(b)	207,000	
			Additions since valuation			-	207,000
200 Greens Rd, Dandenong	Nov '99	15,721	Latest Valuation	30/06/22	(c)	47,000	
			Additions since valuation			-	47,000
20 Holbeche Rd, Arndell Park (50%)	Dec '99	9,585	Latest Valuation	30/06/21[2]	(a)	10,700	
			Additions since valuation			3,368	14,068
12 Moore St, Canberra	Aug '04	77,041	Latest Valuation	30/06/22	(c)	57,875	
			Additions since valuation			-	57,875
2 Pound Rd, Dandenong	Mar '06	20,890	Latest Valuation	30/06/22	(c)	33,500	
			Additions since valuation			-	33,500
121 Evans Rd, Salisbury	Aug '06	35,422	Latest Valuation	30/06/22	(c)	48,504	
			Additions since valuation			-	48,504
124 Walker Street, North Sydney	Jan '07	99,828	Latest Valuation	30/06/22	(c)	134,000	
			Additions since valuation			-	134,000
Bond One, Hickson Road, Walsh Bay	May '07	91,638	Latest Valuation	30/06/22	(c)	152,000	
			Additions since valuation			-	152,000

NOTE 6: INVESTMENT PROPERTY (Continued)

Name	Acquisition Date	Cost Including Additions $'000		Date of Latest Valuation		$'000	Carrying Value 30 June 2022 $'000
William Angliss Drive, Laverton North	Sep '14	54,756	Latest Valuation	30/06/22	(c)	97,000	
			Additions since valuation			-	97,000
7-9 French Avenue, Brendale	Dec '14	20,128	Latest Valuation	30/06/22	(c)	32,500	
			Additions since valuation			-	32,500
730 Lorimer Street, Port Melbourne	Aug '15	49,128	Latest Valuation	30/06/22	(c)	55,000	
			Additions since valuation			-	55,000
Stud Park Shopping Centre	Aug '15	180,288	Latest Valuation	30/06/22	(b)	147,996	
			Additions since valuation			-	147,996
Stanley House, South Brisbane	Sep '15	28,405	Latest Valuation	30/06/22	(c)	31,000	
			Additions since valuation			-	31,000
425 Collins Street, Melbourne	Nov '15	49,154	Latest Valuation	30/06/22	(c)	44,000	
			Additions since valuation			-	44,000
636 St Kilda Road, Melbourne	Dec '15	105,390	Latest Valuation	30/06/22	(c)	110,000	
			Additions since valuation			-	110,000
Acacia Gate	Dec '15	25,536	Latest Valuation	30/06/22	(c)	31,860	
			Additions since valuation			-	31,860
Workspace 33, Milton[1]	Dec '16	56,713	Latest Valuation	30/06/22	(c)	54,500	
			Additions since valuation			-	54,500
2 Second Ave, Mawson Lakes	Mar '17	34,284	Latest Valuation	30/06/22	(c)	44,250	
			Additions since valuation			-	44,250
Connect Corporate Centre, Building 1, Mascot	Jul '17	46,637	Latest Valuation	30/06/22	(c)	55,000	
			Additions since valuation			-	55,000
Brickworks Centre, Southport	Oct '17	154,062	Latest Valuation	30/06/22	(b)	140,400	
			Additions since valuation			-	140,400
199 Grey St, Southbank	Oct '17	103,380	Latest Valuation	30/06/22	(c)	95,300	
			Additions since valuation			-	95,300
Connect Corporate Centre, Building 2, Mascot	Jan '18	98,767	Latest Valuation	30/06/22	(c)	126,000	
			Additions since valuation			-	126,000
Gasworks Plaza, Brisbane	Feb '18	188,201	Latest Valuation	30/06/22	(b)	132,000	
			Additions since valuation			-	132,000
Gasworks Workspace, Brisbane	Feb '18	78,060	Latest Valuation	30/06/22	(b)	75,000	
			Additions since valuation			-	75,000
16 Holbeche Rd, Arndell Park (50%)	Dec '18	7,404	Latest Valuation	30/06/21[2]	(a)	8,025	
			Additions since valuation			1	8,026
10 Harvest Court, Southport	Mar '19	2,887	Latest Valuations	30/06/22	(b)	3,600	
			Additions since valuation			-	3,600
Connect Corporate Centre, Building 3, Mascot	Sep '19	184,473	Latest Valuation	30/06/22	(c)	198,000	
			Additions since valuation			-	198,000
Lot 27, The Brickworks Annex	Jun '22	800	Purchase Price	30/06/22		800	
			Additions since acquisition			-	800
Total Investment Property							**2,176,179**

NOTE 6: INVESTMENT PROPERTY (Continued)

Independent valuations were performed by (a) Knight Frank, (b) CBRE and (c) Colliers.

1. Workspace 33, Milton – This property was valued at 30 June 2022 (valuation of $54.5 million). The contract for sale of a small ancillary component of this property was exchanged and settled on 8 August 2022 for $1 million.

2. 16-20 Holbeche Road, Arndell Park is under development and the next external valuation is intended to be dated 31 December 2022 when the development is complete.

The following key assumptions were applied when determining the fair value of each category of investment property. An increase / decrease in capitalisation rate and/or discount rate would result in a lower / higher value of the relevant investment property.

Category	Capitalisation rate(d)		Discount rate(d)	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
Retail	5.00% - 5.50%	5.50% - 5.75%	6.00% - 6.50%	6.50% - 6.75%
Office	4.25% - 6.50%	4.50% - 6.75%	5.00% - 6.75%	5.75% - 7.50%
Logistics	4.00% - 5.75%	4.75% - 6.50%	5.25% - 6.50%	6.00% - 6.50%

(d) Inputs as per independent valuations.

Capital commitments

Capital expenditure commitments contracted in relation to investment properties are as follows:

	Consolidated	
	30 June 2022 $'000	**30 June 2021 $'000**
Within the next 12 months	19,236	3,712
Later than 1 year and not later than 3 years	-	166
Closing balance	**19,236**	**3,878**

NOTE 7: CURRENT ASSETS – LISTED EQUITY SECURITIES

Listed equity securities are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when determining their fair values (refer to Note 18 for details). Investments in the listed equity securities held by the Group during the financial year have been categorised as Level 1 assets.

Reconciliation of the carrying value for the financial year is as follows:

	Consolidated	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Carrying value at the beginning of the financial year	2,613	120,717
Acquisitions during the financial year	1,473	6,229
Disposals during the financial year	(4,310)	(134,635)
Reinvestment of distributions received	-	290
Net gain on revaluation	224	10,012
Carrying value at the end of the financial year	**-**	**2,613**

NOTE 8: CURRENT ASSETS – OTHER FINANCIAL ASSETS: ROSEHILL DISPOSAL PROCEEDS RECEIVABLE

Other financial assets are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when determining their fair values (refer to Note 18 for details). Other financial assets held by the Group during the financial year have been categorised as a Level 3 asset.

Reconciliation of the carrying value for the financial year is as follows:

	Consolidated	
	30 June 2022	30 June 2021
	$'000	$'000
Carrying value at the beginning of the financial year	35,750	-
Initial recognition of Rosehill disposal proceeds available	-	35,750
Rosehill disposal proceeds received	(35,750)	-
Carrying value at the end of the financial year	**-**	**35,750**

In the prior financial year, the property at 1B Unwin Street Rosehill was acquired by the NSW State government under a compulsory acquisition order. The proceeds for the disposal were fully recovered during the current financial year.

NOTE 9: INTEREST BEARING LIABILITIES

Current interest bearing liabilities	Consolidated	
	30 June 2022	30 June 2021
	$'000	$'000
Bank loan – variable rate	65,000	-
Deferred borrowing costs	(78)	-
	64,922	**-**

Non-current interest bearing liabilities	Consolidated	
	30 June 2022	30 June 2021
	$'000	$'000
Bank loan – variable rate	435,000	500,000
Deferred borrowing costs	(1,320)	(2,068)
	433,680	**497,932**

NOTE 9: INTEREST BEARING LIABILITIES (Continued)

Financing arrangements

As at 30 June 2022, total borrowings were $500 million.

The Group has four bilateral floating rate bank debt facilities as follows:

- a $75 million bilateral floating rate debt facility maturing in May 2023. As at 30 June 2022, $65.0 million was drawn under the facility.
- a $200 million bilateral floating rate debt facility maturing in November 2023. As at 30 June 2022, $189.9 million was drawn under the facility.
- a $200 million bilateral floating rate debt facility maturing in November 2025. As at 30 June 2022, $92.5 million was drawn under the facility.
- A $175 million bilateral floating rate debt facility maturing in May 2024. As at 30 June 2022, $152.6 million was drawn under the facility.

On 5 October 2021, the Group entered into an interest-bearing facility to borrow up to $15 million from its co-owner of 16 Holbeche Rd, Arndell Park, which is currently undergoing development. The facility is repayable at the completion of the development. At 30 June 2022, this facility is undrawn.

The carrying amounts of the Group's interest bearing liabilities approximate their fair value.

NOTE 10: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The movement in the number of units on issue during the financial year was as follows:

	Consolidated	
	30 June 2022	30 June 2021
	Number of units	Number of units
Opening balance	1,165,779,088	1,521,217,890
Applications	215,030,966	183,387,805
Distributions to unitholders reinvested	2,395,751	2,558,775
Redemptions	(193,459,890)	(541,385,382)
Closing balance	**1,189,745,915**	**1,165,779,088**

Net assets attributable to unitholders are made up as follows:

	Consolidated	
	30 June 2022	30 June 2021
	$'000	$'000
Units on issue	1,608,087	1,589,212
Undistributed reserves (Note 11)	46,366	(74,244)
	1,654,453	**1,514,968**

NOTE 11: UNDISTRIBUTED RESERVES

	Consolidated	
	30 June 2022	30 June 2021
	$'000	$'000
Undistributed reserves – General reserve / (Accumulated losses)	**46,366**	**(74,244)**

NOTE 11: UNDISTRIBUTED RESERVES (Continued)

(a) Nature and Purpose of Accumulated Losses / General Reserve

The accumulated losses / general reserve is predominantly used to record unrealised movements in the fair value of investment property and listed equity securities.

(b) Movement in Accumulated Losses / General Reserve

	Consolidated	
	30 June 2022	30 June 2021
	$'000	$'000
Balance at the beginning of the financial year	(74,244)	(168,087)
Net profit from operations before fair value adjustments	71,346	81,992
Net changes in the fair value of investment property	119,785	85,088
Net changes in the fair value of listed equity securities	224	10,012
Distributions to unitholders	(70,745)	(83,249)
Balance at the end of the financial year	**46,366**	**(74,244)**

NOTE 12: AUDITOR'S REMUNERATION

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Amounts paid or payable to Ernst & Young, the auditor of the Group, for:		
Audit of the Financial Statements of the Group	123,044	109,040
Other services – audit of compliance plan	5,578	4,400
	128,622	**113,440**

NOTE 13: OPERATING LEASES

The investment properties owned by the Group are leased to third parties under operating leases. Lease terms vary between tenants and some leases include percentage rental payments based on sales volume. Future minimum rental revenues under non-cancellable operating leases are as follows:

	Consolidated	
	30 June 2022	30 June 2021
Period:	$'000	$'000
Within 1 year	113,094	108,992
Between 1 and 2 years	96,952	94,725
Between 2 and 3 years	79,678	81,079
Between 3 and 4 years	66,345	64,864
Between 4 and 5 years	53,401	49,774
Later than 5 years	109,435	124,177
	518,905	**523,611**

These amounts do not include recovery of outgoings, rent abatements and percentage rents.

The future minimum rental revenue amounts at 30 June 2022 have not been adjusted for the possible impacts that the ongoing COVID-19 pandemic may have on certain existing lease agreements. As disclosed in Note 1(e) and Note 1(g), the Scheme may provide further rent concessions to tenants, as rent waivers and deferrals. When these lease modifications are agreed future minimum rental revenue amounts may be reduced.

NOTE 14: CASH AND CASH EQUIVALENTS

	Consolidated	
	30 June 2022	30 June 2021
	$'000	$'000
(a) Reconciliation of Net Profit Attributable to Unitholders to Net Cash Inflow from Operating Activities		
Net profit attributable to unitholders after finance costs	191,355	177,092
Net changes in the fair value of listed equity securities	(224)	(10,012)
Net changes in the fair value of investment property	(119,785)	(85,088)
Reinvestment of distributions received from listed equity securities	-	(290)
Movement in assets for lease incentives and straight-lining of rental income	(563)	2,055
Amortisation of deferred borrowing costs	684	665
Changes in assets and liabilities:		
Decrease in receivables	132	329
(Decrease)/increase in payables	(1,833)	4,310
Net cash inflow from operating activities	**69,766**	**89,061**

(b) Non-cash Investing and Financing Activities		
Non-cash investing and financing activities carried out during the financial year on normal commercial terms and conditions comprised:		
Reinvestment of distributions received from listed equity securities	-	290
Reinvestment of distributions to unitholders	3,217	3,176

NOTE 15: RELATED PARTY DISCLOSURES

(a) General Information

Effective from 11 April 2022, the responsible entity of the Group is AMP Capital Funds Management Limited, a subsidiary entity of AMP Limited. For the period between 1 July 2021 and 11 April 2022, the responsible entity of the Group was National Mutual Funds Management Limited, a subsidiary entity of AMP Limited. The Investment Manager of the Group is AMP Capital Investors Limited, a subsidiary entity of AMP Limited.

(b) Investments

(i) Related party holdings of the Group

Details of the Group's holdings in relevant related parties, including the Responsible Entity or the Former Responsible Entity, entities in the same group as the Responsible Entity or the Former Responsible Entity, and other investment funds managed by the Responsible Entity or the Former Responsible Entity and Investment Manager are set out below:

	Fair value of the investment $		Interest held %		Distributions/interest received or receivable during the financial year $	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
AMP Capital Managed Cash Fund	51,124	39,788	0.00	0.00	84	2,818

NOTE 15: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (Continued)

(ii) Related party investors in the Group

Details of relevant related party investors in the Group, including the Responsible Entity or the Former Responsible Entity, entities in the same group as the Responsible Entity or the Former Responsible Entity, and other investment funds managed by the Responsible Entity or the Former Responsible Entity and Investment Manager are set out below:

Name	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions and returns of capital paid or payable during the financial year* $
30 June 2022					
AMP Limited	38,970,533	3.28%	-	-	2,821,582
Australian Property Fund	101,545,020	8.54%	1,143,719	33,636,235	7,986,040
30 June 2021					
AMP Limited	38,970,533	3.34%	38,970,533	-	705,380
Australian Property Fund	134,037,536	11.50%	14,288,148	58,371,116	10,498,383

* Distributions paid or payable comprise both distributions to unitholders and returns of capital.

(c) Transactions with the Responsible Entity and its Related Parties

All transactions between the Group and related parties have been at market value on normal commercial terms and conditions. This includes acquisitions and disposals of investments as well as applications and redemptions of units.

Management, Custodian and Transaction Fees

In accordance with the Product Disclosure Statement, the ongoing management fee payable to the responsible entity is 0.42% (30 June 2021: 0.42%) per annum of the total gross asset value of the Group plus 4.2% per annum (30 June 2021: 4.2% per annum) of the Group's gross income, and it is assessed daily and payable on a quarterly basis.

In accordance with the Custodian Agreement, the custodian fee payable is 0.04% (30 June 2021: 0.04%) of total gross investments of the Group, and payable on a half yearly basis.

In accordance with the Investment Management Agreement, the transaction fees payable to the Investment Manager are 0.40% (30 June 2021: 0.40%) of the purchase price in respect of each property acquired by the Group and 0.50% (30 June 2021: 0.50%) of the gross sale proceeds in respect of each property disposed by the Group.

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Management fees expensed during the financial year	14,444,612[a]	14,520,183
Custodian fees expensed during the financial year	761,303	724,269
Transaction fees incurred during the financial year	3,200	-
	15,209,115	**15,244,452**

(a) Management fees expensed during the financial year to the Responsible Entity were $3,209,476. Management fees expensed during the financial year to the Former Responsible Entity were $11,235,136.

NOTE 15: RELATED PARTY DISCLOSURES (Continued)

(c) Transactions with the Responsible Entity and its Related Parties

Property Management Fees

AMP Capital Shopping Centres Pty Limited, a related party of the Responsible Entity, provides property management (which includes leasing services) on normal commercial terms.

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Property management services fees expensed during the financial year	2,254,841	2,434,354

AMP Capital Office & Industrial Pty Limited, a related party of the Responsible Entity, provides property management (which includes leasing and minor development services) on normal commercial terms.

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Property management services fees expensed during the financial year	2,571,011	2,014,016

In addition, for the financial year ended 30 June 2022, property management costs of $4,150,358 were recharged to the Group (30 June 2021: $3,951,595). These recharges primarily relate to staff costs. A portion of these costs are recoverable from tenants.

(d) Key Management Personnel

AASB 124 "Related Party Disclosures" defines key management personnel ("KMP") as including all Non-Executive Directors, Executive Directors and any other persons having authority or responsibility for planning, directing and controlling the activities of the Group. The Group has no direct employees, however the Directors of the Responsible Entity have been deemed to be Directors of the Group. These individuals comprise the KMP of the Group.

Key management personnel services are provided by the Responsible Entity and Former Responsible Entity and the remuneration paid to the Responsible Entity and Former Responsible Entity is detailed in Note 15(c) above. No Director of the Responsible Entity or Former Responsible Entity was paid any remuneration by the Group during the financial year. Compensation paid to these Directors by the Responsible Entity or Former Responsible Entity, or related entities of the Responsible Entity or Former Responsible Entity, is not related to services they render to individual funds.

NOTE 16: PARENT ENTITY INFORMATION

Information relating to Wholesale Australian Property Fund (the "Parent Entity"):

	Parent	
	30 June 2022	30 June 2021
	$'000	$'000
Current assets	23,895	55,539
Total assets	**2,200,075**	**2,062,847**
Current liabilities	111,941	49,947
Total liabilities	**545,622**	**547,879**
Units on issue	1,608,087	1,589,212
Undistributed Reserves	46,366	(74,244)
Net assets attributable to unitholders – Equity	**1,654,453**	**1,514,968**
Net profit attributable to unitholders after finance costs for the financial year	**191,355**	**177,092**
Total comprehensive income for the financial year	**191,355**	**177,092**

Investment in controlled entity

The Parent Entity has 99.6% controlling interest in Wholesale Australian Property Fund (A-REIT). The net assets of Wholesale Australian Property Fund (A-REIT) comprise cash.

NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risks arising from issuing and holding financial instruments and entering into financial arrangements are inherent in the Group's activities, and are managed through a process of ongoing identification, measurement and monitoring.

Financial instruments of the Group comprise investments in financial assets and liabilities measured at fair value through profit or loss, cash and cash equivalents, and other financial instruments such as receivables and payables which arise directly from the Group's operations.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments. The Group is exposed to credit risk, liquidity risk and market risk.

The Former Responsible Entity of the Group had overall responsibility for the establishment and oversight of the Group's risk management framework for the period from 1 July 2021 up until 11 April 2022. AMP Capital Funds Management Limited was appointed responsible entity of the Scheme on 11 April 2022. Since 11 April 2022, AMP Capital Funds Management Limited has had overall responsibility for the establishment and oversight of the Group's risk management framework.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Group from reasonably possible changes in the relevant risk variables. Information about these risk exposures for the financial year is provided below. Where the Group has material risk exposures, risk sensitivity analysis is presented for illustrative purposes. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflect the investment strategy and market environment of the Group, as well as the level of risk that the Group is willing to accept.

The management of these risks is carried out by AMP Capital Investors Limited, as the investment manager, including at its investment committees, under policies adopted by the Responsible Entity or the Former Responsible Entity. These policies include the AMP Capital Holdings Limited Asset Valuation Policy and the AMP Capital Liquidity Management Policy which have been adopted by the Responsible Entity or the Former Responsible Entity.

As part of its risk management strategy, the Group may use derivatives to manage certain risk exposures.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

To avoid excessive concentrations of risk, the Group monitors its exposure to ensure concentrations of risk remain within acceptable levels and either reduces exposure or may use derivative financial instruments to manage the excessive risk concentrations when they arise.

The Responsible Entity's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so it can continue to provide returns to unitholders and to maintain an optimal capital structure. To maintain or adjust the capital structure, the Responsible Entity may reinvest distributions at the election of unitholders. The Group does not have any externally imposed capital requirements.

The Group monitors its interest bearing liabilities using, amongst other measures, a gearing ratio which is total debt divided by total tangible assets. The Group's policy is to maintain the long-term stabilised gearing ratio between 0% and 15% and to not exceed 35% at the time of borrowing, with the ability to increase above this level for short term strategic or tactical purposes. Total debt includes interest bearing loans and borrowings.

(a) Credit Risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations under a contract.

The Group's maximum credit risk exposure at the balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the maximum exposure at the balance date.

Other than the impact of the COVID-19 pandemic described in Note 1(e) and Note 1(g), credit risk is not considered to be significant to the Group. Receivables balances are monitored on an ongoing basis. The Responsible Entity has determined the impact of the COVID-19 pandemic on the expected credit losses of the Group's receivables, particularly in relation to potential rent waivers and deferrals (refer to Note 1(g), Note 2 and Note 4).

(b) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due.

The Group manages its liquidity risk through cash flow forecasts and liquidity planning based on the maturities of financial assets (for example cash, receivables) and financial liabilities (for example interest bearing liabilities) and projected cash flows from operating and investing activities. The risk is managed through the Group's cash surpluses, use of working capital debt facilities and investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Group maintains sufficient cash and cash equivalents to meet normal operating requirements except as otherwise disclosed in the Financial Report.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables, distributions payable and interest bearing liabilities. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days and 60 days respectively.

The table below details the Group's interest-bearing liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the undiscounted contractual cash flows.

	Consolidated				
	Less than 12 months	**1 to 3 years**	**4 to 5 years**	**Greater than 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
30 June 2022					
Interest bearing liabilities					
(Outflows)	(85,516)	(366,724)	(95,387)	-	(547,627)
	(85,516)	**(366,724)**	**(95,387)**	**-**	**(547,627)**
30 June 2021					
Interest bearing liabilities					
(Outflows)	(7,736)	(336,609)	(190,921)	-	(535,266)
	(7,736)	**(336,609)**	**(190,921)**	**-**	**(535,266)**

NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market Risk

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices.

Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

Australian Accounting Standards require the disclosure of sensitivity to changes in market risk variables such as interest rates and equity prices. This sensitivity is not intended to show the impact on the Group's financial performance for the entire period, just an illustrative example of the direct impact of a change in the value of the financial instruments measured at the balance date as a result of the change in market rates. The sensitivity is required to show the impact of a reasonably possible change in market rate over the period to the subsequent balance date. It is not intended to illustrate a remote, worst case or stress test scenario.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's financial liabilities, in particular borrowing obligations with variable interest rates.

Interest rate sensitivity

Interest bearing liabilities

As the Group maintains a long-term stabilised gearing ratio between 0% to 15% and may enter into derivative financial instruments to reduce exposure to interest rate risk, interest rate sensitivity for interest bearing liabilities is not significant to the Group. At 30 June 2022, the Group's gearing ratio is approximately 23% which is below the Group's maximum gearing ratio of 35% of gross assets as described in the Scheme's Product Disclosure Statement.

Cash and cash equivalents

The interest rate sensitivity for cash and cash equivalents is not significant to the Group.

Price risk

Price risk is the risk that the fair value of equity securities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual equity securities or factors affecting all financial instruments in the market. Price risk exposure arises from the Group's investment in listed equity securities.

Price risk is managed by monitoring compliance with established investment mandate limits.

All securities present a risk of loss of capital. The maximum risk resulting from listed equity securities is determined by the fair value of the financial instruments.

The table below demonstrates the impact of a 10% movement in prices of listed equity securities on the Group's net profit attributable to unitholders after finance costs and net assets attributable to unitholders, with all other variables held constant. It is assumed that the relevant change occurs at the balance date.

		Consolidated	Consolidated
	Change in percentage	**Effect on net profit attributable to unitholders after finance costs**	**Effect on net assets attributable to unitholders**
	Increase/(decrease)	**Increase/(decrease)**	**Increase/(decrease)**
	%	**$'000**	**$'000**
30 June 2022	10 / (10)	- / -	- / -
30 June 2021	10 / (10)	261 / (261)	261 / (261)

NOTE 18: FAIR VALUE MEASUREMENT

Assets and liabilities measured at fair value are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure an asset or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels are:

Level 1: Valued by reference to quoted prices in active markets for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valued 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).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These may include investment grade corporate bonds, certain unlisted unit trusts and over-the-counter derivatives.

Level 3: Valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable inputs are determined based on the best information available, which might include the Group's own data, reflecting the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Valuation techniques are used to the extent that observable inputs are not available.

The table below shows the Group's assets and liabilities measured at fair value on a recurring basis by each level of the fair value hierarchy. The Group did not measure any assets or liabilities at fair value on a non-recurring basis as at 30 June 2022 (30 June 2021: nil).

30 June 2022:	**Consolidated**			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Investment property	-	-	2,176,179	2,176,179
Total	**-**	**-**	**2,176,179**	**2,176,179**

30 June 2021:	**Consolidated**			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Listed equity securities	2,613	-	-	2,613
Investment property	-	-	2,007,308	2,007,308
Rosehill disposal proceeds receivable	-	-	35,750	35,750
Total	**2,613**	**-**	**2,043,058**	**2,045,671**

The Group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year ended 30 June 2022 (financial year ended 30 June 2021: nil).

For movements in investment property categorised as Level 3, refer to Note 6. For movements in Rosehill disposal proceeds receivable categorised as Level 3, refer to Note 8.

Valuation techniques

The valuation techniques and inputs used in measuring the fair value of listed equity securities are outlined in Note 1(f) and Note 7.

The valuation techniques and inputs used in measuring the fair value of investment property are outlined in Note 1(c) and Note 6.

The valuation techniques and inputs used in measuring the fair value of the Rosehill disposal proceeds receivable are outlined in Note 1(s) and Note 8.

There were no significant changes in valuation techniques during the financial year.

NOTE 18: FAIR VALUE MEASUREMENT (Continued)

Valuation techniques (continued)

For fair value measurements categorised as Level 3 of the fair value hierarchy, the valuation processes applied in valuing such assets is governed by the AMP Capital Holdings Limited Asset Valuation Policy which has been adopted by the Responsible Entity or the Former Responsible Entity. This Policy outlines the asset valuation methodologies and processes applied to measure non-exchange traded assets which have no regular market price, including investment property. The valuations of all investment property are approved by the Real Estate Investment Committee.

NOTE 19: NET CURRENT ASSET DEFICIENCY

As at 30 June 2022, the Group recorded a net current asset deficiency of $87,046,000. This deficiency includes distributions payable of $18,683,000, returns of capital payable of $2,852,000 and current interest bearing liabilities of $64,922,000. The Financial Report of the Group has been prepared on a going concern basis because the Responsible Entity intends to satisfy this deficiency through the drawdown of existing non-current borrowing facilities.

NOTE 20: COMMITMENTS AND CONTINGENCIES

The Group had no commitments or contingencies at 30 June 2022 (30 June 2021: nil) other than those specified in the Financial Report.

NOTE 21: EVENTS OCCURRING AFTER THE BALANCE DATE

Since 30 June 2022, there have been no matters or circumstances not otherwise dealt with in the Financial Report that have significantly or may significantly affect the Group.

NOTE 22: AUTHORISATION OF THE FINANCIAL REPORT

The Financial Report of the Wholesale Australian Property Fund for the financial year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors of AMP Capital Funds Management Limited on 21 September 2022.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of AMP Capital Funds Management Limited, the responsible entity, I state that for the purpose of section 295(4) of the Corporations Act, in the opinion of the Directors of the Responsible Entity:

(a) The Financial Statements and notes of the Group are in accordance with the Corporations Act, including section 296 (compliance with accounting standards) and section 297 (true and fair view);

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(c) The Financial Statements and notes of the Group comply with International Financial Reporting Standards as disclosed in Note 1(a).

Director

21 September 2022, Sydney

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Independent Auditor's report to the Unitholders of Wholesale Australian Property Fund

Opinion

We have audited the financial report of Wholesale Australian Property Fund (the "Registered Scheme"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in net assets attributable to unitholders and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the declaration of the directors of AMP Capital Funds Management Limited, the Responsible Entity of the Registered Scheme.

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

a. Giving a true and fair view of the consolidated financial position of the Registered Scheme as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Registered Scheme's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Registered Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Scheme's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Scheme to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Anthony Ewan
Partner
Sydney
21 September 2022