NULIS Nominees (Australia) Limited

ABN 80 008 515 633

Annual Financial Report 2020

NULIS Nominees (Australia) Limited

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NULIS Nominees (Australia) Limited
Directors' report

The Directors present their report together with the general purpose financial statements of NULIS Nominees (Australia) Limited (the Company) for the year ended 30 September 2020 and the auditor's report thereon.

Certain definitions

The Company's financial year ends on 30 September. The financial year ended 30 September 2020 is referred to as 2020 and other financial years are referred to in a corresponding manner. Any discrepancies between total and sums of components in tables contained in this report and the accompanying financial statements are due to rounding.

Rounding

Pursuant to Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, the Company has rounded off amounts in this report and the accompanying financial statements to the nearest thousand dollars ($'000), except where indicated.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name	Appointed	Resigned
A C Gale	26 October 2016	
P Y O'Neal	14 February 2011	31 March 2020
T C McCredden	28 May 2014	
P J Promnitz	7 December 2017	
B V McConnell	4 December 2019	
S J Schubert	4 December 2019	
K A Watt	4 December 2019	
K W Kwan	4 December 2019	

Unless indicated otherwise, all Directors held their position as a Director through the entire financial year and up to the date of this report.

Principal activity

The Company is a for-profit entity and its principal activities during the course of the year were to act as corporate trustee for Registerable Superannuation Entities (RSEs).

There were no significant changes in the nature of the activity of the Company during the financial year.

Corporate information

The Company is a company limited by shares that is incorporated and domiciled in Australia. The immediate parent entity is MLC Wealth Limited (MLCW) and the ultimate parent entity is National Australia Bank Limited (NAB). The address of its registered office is Ground Floor, 105-153 Miller Street, North Sydney, NSW 2060.

Review and results of operations

The profit after income tax for the year ended 30 September 2020 was $111,838,000 (2019: $164,884,000). This profit was attained in the normal course of operations of the Company.

The Company holds regulatory capital in accordance with APRA Prudential Standard SPS 114 Operational Risk Financial Requirement (ORFR). Sufficient capital was held throughout the year to meet the ORFR requirements. At 30 September 2020 the ORFR capital was $283,321,000 and 109% of the regulatory requirement (2019: $281,387,000 and 101%).

Dividends

Dividends paid or proposed by the Company since the end of the previous financial year were $121,400,000 (2019: $173,000,000).

State of affairs

On 31 August 2020, NAB announced that it had agreed to sell MLC Wealth, comprising its Advice, Platform & Superannuation and Asset Management businesses (Including the Company) to IOOF Holdings Ltd (IOOF). At the date of completion, the Company's ultimate parent entity is expected to change from NAB to IOOF. The transaction is subject to certain conditions, including certain regulatory approvals. Subject to the timing of regulatory approvals, completion is expected to occur before 30 June 2021.

COVID-19, which is a respiratory illness caused by a new virus, was declared a pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had a significant impact on the domestic and global economy and equity, debt and commodity markets. The Company has experienced reduced revenues as a result of market volatility and Federal Government initiatives related to the pandemic including payments made under the Early Release of Superannuation which impacted Funds Under Administration (FUA).

While the Company has seen reduced revenues flowing from market volatility and Federal Government initiatives related to the pandemic, the Company has assessed the resulting financial reporting impacts and disclosed these in note 1 (a).

In August 2020 APRA gave directions to and imposed additional Licence Conditions on the Company as a RSE by exercising its powers under the *Superannuation Industry (Supervision) Act* (SIS Act). APRA did not find that the Company had breached the SIS Act best interest and priority covenants. The licence conditions require the Company to uplift aspects of its governance and control environment. In addition, they also require the Company to improve the way in which it records its consideration of members' best interests and priority covenants when making decisions that may materially affect members. The Company has cooperated with APRA and has already commenced implementation of a number of the actions required under the licence conditions.

In September 2020 the Federal Court delivered its judgement in the ASIC proceedings against the Company and MLC Nominees Pty Ltd (MLCN) in relation to Planned Service Fee (PSF). The portion of the penalty imposed on the Company was $8m ($49.5m for MLCN) which was settled in October 2020 and funded by NAB.

There were no other significant changes in the state of affairs of the Company that occurred during the financial year.

Environmental regulation and performance

The operations of the Company are not subject to any site specific environmental licences or permits which would be considered as particular or significant environmental regulation under laws of the Australian Commonwealth Government or of an Australian state or territory.

Events subsequent to the end of the reporting period

No items, transactions or events of a material and unusual nature have arisen between the end of the financial year and the date of this report, which are likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely developments

Information about likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in the report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Indemnification and insurance of officers and auditor

(i) Indemnification

As permitted by its constitution, the Company indemnifies, to the extent permitted by law, each Director and the secretary of the Company for all liability incurred in their capacity as a Director or secretary of the Company (including all legal costs of and in connection with defending or resisting proceedings in which they become involved because of that capacity). The Company has executed or is in the process of executing deeds of indemnity in favour of each Director of the Company where required. The Company has not provided an indemnity to the auditor of the Company.

(ii) Insurance premiums

Premiums were paid by a related entity in respect of contracts insuring Directors and officers of the Company for liability and legal expenses for the current financial year. Such insurance contracts insure against certain liabilities (subject to specific exclusions) for persons who are or have been Directors or executive officers of the Company.

Disclosure of the nature of the liabilities and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 4.

This report is made in accordance with a resolution of Directors.

Andrew Gale

Director: Andrew Gale
10 November 2020

Director: Peter Promnitz
10 November 2020

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Auditor's Independence Declaration to the Directors of NULIS Nominees (Australia) Limited

As lead auditor for the audit of the financial report of NULIS Nominees (Australia) Limited for the fin ancial year ended 30 September 2020, 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; and

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

Ernst & Young

Ernst & Young

David Jewell

David Jewell
Partner
10 November 2020

NULIS Nominees (Australia) Limited
Financial statements for the year ended 30 September 2020
Statement of comprehensive income

	Note	2020 $'000	2019 $'000
Revenue from rendering of services	2	537,033	622,829
Other revenue	2	5,186	6,216
Total revenue		542,219	629,045
Commission and adviser related expenses		(33,562)	(56,387)
Management fee expense		(273,079)	(272,981)
Investment management and custody fees		(37,204)	(38,695)
Other expenses		(38,665)	(25,814)
Total expenses		(382,510)	(393,877)
Profit before income tax expense		159,709	235,168
Income tax expense	3	(47,871)	(70,284)
Profit after tax attributable to owners of the Company		111,838	164,884
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the year attributable to owners of the Company		111,838	164,884

NULIS Nominees (Australia) Limited
Financial statements for the year ended 30 September 2020
Balance sheet

	Note	2020 $'000	2019 $'000
Current assets			
Cash and cash equivalents	5	130,975	115,896
Receivables	6	63,288	78,537
Financial assets	8	34,855	79,700
Total current assets		229,118	274,133
Non-current assets			
Financial assets	8	198,942	176,654
Total non-current assets		198,942	176,654
Total assets		428,060	450,787
Current liabilities			
Payables	9	59,801	70,855
Provisions		1,056	251
Financial liabilities	10	293	-
Deferred revenue		2,388	4,895
Total current liabilities		63,538	76,001
Non-current liabilities			
Deferred tax liabilities	7	937	1,639
Total non-current liabilities		937	1,639
Total liabilities		64,475	77,640
Net assets		363,585	373,147
Equity			
Contributed equity	11	245,250	245,250
Retained profits		118,335	127,897
Total equity		363,585	373,147

NULIS Nominees (Australia) Limited
Financial statements for the year ended 30 September 2020
Cash flow statement

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Fees and other income received		549,808	621,235
Payments for management fees		(269,042)	(272,981)
Payments for commission and adviser related expenses		(41,285)	(52,115)
Other payments for the course of operations		(39,531)	(49,466)
Payments for investment management and custody fees		(37,593)	(48,079)
Income tax paid		(53,914)	(71,271)
Net cash flows from operating activities	12(b)	108,443	127,322
Cash flows from/(used in) investing activities			
Net proceeds from purchase, sale and maturity of investments		28,036	(515)
Net cash flows from/(used in) investing activities		28,036	(515)
Cash flows used in financing activities			
Dividends paid		(121,400)	(173,000)
Net cash flows used in financing activities		(121,400)	(173,000)
Net increase/(decrease) in cash and cash equivalents		15,079	(46,193)
Cash and cash equivalents at the beginning of the year		115,896	162,089
Cash and cash equivalents at the end of the year	12(a)	130,975	115,896

NULIS Nominees (Australia) Limited
Financial statements for the year ended 30 September 2020
Statement of changes in equity

	Note	Contributed equity	Retained profits	Total
		$'000	$'000	$'000
Year to 30 September 2019				
Balance as at 1 October 2018		245,250	136,013	381,263
Net profit for the year		-	164,884	164,884
Other comprehensive income		-	-	-
Total comprehensive income		-	164,884	164,884
Transactions with owners, recorded directly in equity:				
Dividends paid	4	-	(173,000)	(173,000)
Total transactions with owners		-	(173,000)	(173,000)
Balance as at 30 September 2019		245,250	127,897	373,147
Year to 30 September 2020				
Balance as at 1 October 2019		245,250	127,897	373,147
Net profit for the year		-	111,838	111,838
Other comprehensive income		-	-	-
Total comprehensive income		-	111,838	111,838
Transactions with owners, recorded directly in equity:				
Dividends paid	4	-	(121,400)	(121,400)
Total transactions with owners		-	(121,400)	(121,400)
Balance as at 30 September 2020		245,250	118,335	363,585

1 Significant accounting policies

The general purpose financial report for NULIS Nominees (Australia) Limited (the Company) for the year ended 30 September 2020 was authorised for issue on 10 November 2020 in accordance with a resolution of the Directors. The Directors have the power to amend and reissue the financial statements.

The Company is a for-profit company limited by shares, incorporated and domiciled in Australia.

Information about the Company's structure, including its immediate parent, ultimate parent, the nature of the operations and principal activities of the Company are described in the Directors' report.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) (the Act) and accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 1(l) - *Critical accounting assumptions and estimates* .

Comparative information has been reclassified to accord with changes in presentations made in the current year.

Impact of COVID-19 on financial reporting

COVID-19, which is a respiratory illness caused by a new virus, was declared a world wide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had a significant impact on the domestic and global economy and equity, debt and commodity markets. The Company has experienced reduced revenues as a result of market volatility and Federal Government initiatives related to the pandemic. Payments made under the Early Release of Superannuation impacted Funds Under Administration (FUA).

In preparing these financial statements the Company has considered the impact of COVID-19 in its adoption of significant assumptions and market inputs used in:
- valuing the Company’s financial instruments;
- preparing disclosures for the fair value of financial assets and liabilities and financial risk management.

The Company’s financial instruments include an investment in an unlisted unit trust which is measured at fair value through profit and loss and values may have been impacted by a variety of factors arising from changed business conditions. As a general principle, quoted prices in active markets provide the best available evidence of fair value. The Company’s financial instruments are valued using directly observable inputs as at the reporting date and these are considered to be the most reliable and appropriate evidence of fair value.

We have reviewed the appropriateness of inputs to the valuation of financial instruments and the disclosures for the fair value of financial instruments.

Non-financial risks emerging from global movement restrictions including remote working for staff, counterparties and service providers have been identified, assessed, managed and governed through timely application of the Company's risk management policies.

It has been determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.

1 Significant accounting policies (continued)

(b) Statement of compliance

The financial report has been prepared in accordance with the requirements of Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(c) New and amended accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial reporting period, except as follows:

(i) Changes in accounting policy and disclosure

AASB Interpretation 23 Uncertainty over Income Tax Treatments became effective for the Company from 1 October 2019. The Interpretation explains how to recognise and measure current and deferred income tax liabilities where there is uncertainty over a tax treatment. The Company's existing income tax recognition and measurement accounting policies, and related judgements, were materially aligned with the requirements of the interpretation. Consequently, no transition adjustment to retained earnings was required.

(ii) New and amended accounting standards and interpretations issued but not yet effective

Amendments made to existing standards that are not yet effective are not expected to have a material impact to the Company's financial report.

(d) Currency of presentation

The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

(e) Rounding of amounts

In accordance with Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, all amounts have been rounded to the nearest thousand dollars ($'000), except where indicated.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows:

(i) Distribution revenue

Distribution revenue is recorded in the statement of comprehensive income when the Company obtains control of the right to receive the income.

(ii) Interest revenue

Interest revenue includes interest earned on financial assets measured at fair value through profit or loss and at amortised cost. For financial assets measured at amortised cost, interest income is measured using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the instrument or a shorter period, where appropriate, to the net carrying value of the financial asset.

1 Significant accounting policies (continued)

(f) Revenue recognition (continued)

(iii) Income from investments held at fair value through profit or loss

Gains and losses from changes in the fair value of investments recognised at fair value through profit or loss are recognised in the statement of comprehensive income in the period in which they occur.

(iv) Revenue from rendering of services

The Company provides investment management and administration services to superannuation funds. These fees are generated through agreements and are generally based on an agreed percentage of the valuation of funds under administration. The provision of investment management and administration services is typically a single performance obligation and fees are earned on a daily basis and generally collected monthly.

Performance fees are earned from some agreements when contractually agreed performance levels are exceeded within specified performance measurement periods. They are only recognised where it is deemed to be a low probability of a significant reversal in future periods.

Other fees principally comprise revenues for other services and are recognised as the relevant service is provided and it is probable that the fee will be collected.

There are no judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.

(g) Income tax

(i) Current income tax

Income tax expense (or benefit) is the tax payable (or receivable) on the current period’s taxable income based on the applicable tax rate in each jurisdiction adjusted by changes in deferred tax assets and liabilities. Income tax expense is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in other comprehensive income. The tax associated with these transactions will be recognised in the statement of comprehensive income at the same time as the underlying transaction.

Current tax liability is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

(ii) Deferred income tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

1 Significant accounting policies (continued)

(g) Income tax (continued)

(iii) Tax consolidation

NAB and its wholly owned Australian resident entities formed a tax-consolidated group with effect from 1 October 2002 and are taxed as a single entity from that date. The head entity of the tax-consolidated group is NAB.

The Company has entered into a tax funding agreement that sets out its funding obligations of the tax-consolidated group in respect of tax amounts. Contributions to fund the current tax liabilities are payable in accordance with the tax funding agreement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant taxation authority.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable to (or receivable from) other entities in the tax-consolidated group, including the Company, under the tax funding agreement.

(iv) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the expense or the cost of acquisition of the asset.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a receivable or payable in the Balance sheet. Cash flows are included in the Cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash within three months and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

1 Significant accounting policies (continued)

(i) Financial instruments

The requirements of APRA's Prudential Standard SPS114 "Operational Risk Financial Requirement" (ORFR) are applicable to the Company and sufficient capital was held throughout the year to meet the ORFR. At 30 September 2020 the Company held capital of $283,321,000 (2019: $281,387,000) which would only be utilised to address an operational risk event. The regulatory capital is invested in interest bearing securities, cash and cash equivalents and an investment in an unlisted unit trust; on the Balance Sheet these financial instruments are presented as cash and cash equivalents, financial assets and financial liabilities as appropriate.

(i) Recognition and derecognition

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers.

At initial recognition, the Company measures its financial assets and financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not classified at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

A financial liability is derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

(ii) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legally enforceable right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Classification and subsequent measurement

Financial instruments measured at fair value through profit or loss (FVTPL)

A financial asset or liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial instruments measured at amortised cost

Financial instruments measured at amortised cost include trade and other receivables and payables. A financial instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

1 Significant accounting policies (continued)

(i) Financial instruments (continued)

(iv) Impairment of financial assets

Loss allowances are recognised for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets. ECLs are derived from unbiased and probability-weighted estimates of expected losses. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. In the financial statements this is recognised as a provision for doubtful debts.

Generally, trade receivables are written-off if past due for more than 90 days, are not considered likely to be recovered and are not subject to enforcement activity.

(j) Provisions and contingent liabilities

Provisions are recognised when a legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be necessary to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are not discounted to the present value of the expected net future cash flows except where the time value of money is material.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the balance sheet.

(k) Contributed equity

(i) Ordinary shares

In accordance with the Act, the Company does not have authorised capital and all ordinary shares have no par value. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are included within equity.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote on a show of hands or, on a poll, one vote for each fully paid ordinary share held at shareholders' meetings. In the event of a winding-up of the Company, ordinary shareholders rank after creditors and are fully entitled to any residual proceeds of liquidation. All shares in the Company are held by the immediate parent entity.

(ii) Capital management

The Company's key objectives and principles for managing capital are to satisfy regulatory requirements, maintain business and operational requirements and ensure the Company's ability to continue as a going concern. In addition, the Company seeks to maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends or return capital to shareholders, issue new shares or sell assets. Management regularly monitors the structure of the balance sheet and compliance with internal and external capital requirements.

1 Significant accounting policies (continued)

(l) Critical accounting assumptions and estimates

The application of the Company's accounting policies requires the use of judgements, estimates and assumptions. If different assumptions or estimates were applied, the resulting values would change, impacting the net assets and income of the Company.

Assumptions made at each reporting date are based on best estimates at that date. Although the Company has internal control systems in place to ensure that estimates are reliably measured, actual amounts may differ from those estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Other than those disclosed elsewhere in the financial statements, management have not made any significant accounting judgements, estimates or assumptions in preparing these financial statements.

Fair value measurement

A significant portion of financial instruments are carried on the balance sheet at fair value.

Where no active market exists for a particular asset or liability, the Company uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques, based on market conditions and risks existing at reporting date. In doing so, fair value is estimated using a valuation technique that makes maximum use of observable market inputs and places minimal reliance upon entity-specific inputs.

(m) Indemnity of the Trustee

The Company has indemnity from each Registrable Superannuation Entity (RSE) for the liabilities incurred in its capacity as Trustee. The indemnity pursuant to the Trust Deed is limited to the assets of the underlying RSE.

2 Revenue

	2020 $'000	2019 $'000
Revenue from rendering of services		
Investment management and administration fees revenue	530,711	618,217
Other fees revenue	6,322	4,612
	537,033	622,829
Other revenue		
Distribution revenue	1,119	18
Interest revenue[1]	4,067	6,198
	5,186	6,216
	542,219	629,045

[1] Interest revenue includes interest on financial assets measured at fair value through profit or loss is $3,959,000 (2019: $5,216,000) and interest revenue on financial assets measured at amortised cost is $108,000 (2019: $982,000).

3 Income tax

	2020 $'000	2019 $'000
(a) Income tax expense is made up of:		
Total income tax charge to income		
Current tax		
Current income tax charge	(48,615)	(65,757)
Amounts in relation to prior years	42	266
Deferred tax	702	(4,793)
Total income tax charge to income	(47,871)	(70,284)

(b) Reconciliation of income tax expense with prima facie tax payable on the pre-tax accounting profit

	2020 $'000	2019 $'000
Profit before income tax	159,709	235,168
Prima facie income tax expense calculated at 30%	(47,913)	(70,550)
Amounts in relation to prior years	42	266
Total income tax expense	(47,871)	(70,284)

4 Dividends paid and proposed

Dividends on ordinary shares recognised by the Company for the year ended 30 September:

	2020 $'000	2019 $'000
Dividends on ordinary and non-redeemable preference shares:		
Interim dividend for 2020: 16.72 cents (2019: 21.61 cents) per share	41,000	53,000
Interim dividend for 2020: 13.46 cents (2019: 15.90 cents) per share	33,000	39,000
Interim dividend for 2020: 10.48 cents (2019: 19.57 cents) per share	25,700	48,000
Interim dividend for 2020: 8.85 cents (2019: 13.46 cents) per share	21,700	33,000
Total dividends paid by the Company during the year	121,400	173,000

Final dividend

The Directors have not declared a final dividend in respect to the financial year 2020 (2019: nil).

Australian franking credits

The Company does not have a franking account as it is a member of the NAB tax consolidated group.

5 Cash and cash equivalents

	2020 $'000	2019 $'000
Cash at bank		
Ultimate parent entity	81,209	90,932
Other liquid assets		
Ultimate parent entity	33,040	8,570
Other	16,726	16,394
	130,975	115,896

6 Receivables

	2020 $'000	2019 $'000
Trade debtors	1,994	592
Provision for doubtful debts	(209)	(145)
	1,785	447
Accrued income	397	173
Related party receivables		
Commonly controlled entity	1,344	1,936
Other entities (NULIS is RSE Licensee)	59,762	75,981
	63,288	78,537

7 Deferred tax assets/liabilities

	2020 $'000	2019 $'000
Deferred tax assets		
Provision for doubtful debts	62	43
Accrued expenses	152	577
Provisions	316	75
Total deferred tax assets	**530**	**695**
Set off against deferred tax liabilities	(530)	(695)
Net deferred tax assets	-	-
Deferred tax liabilities		
Unrealised gains on financial assets	1,467	2,334
Total deferred tax liabilities	**1,467**	**2,334**
Set off from deferred tax assets	(530)	(695)
Net deferred tax liability	**937**	**1,639**

8 Financial assets measured at fair value through profit or loss

	2020 $'000	2019 $'000
Current		
Investments in interest bearing securities	34,855	79,700
	34,855	79,700
Non-Current		
Investments in interest bearing securities	150,957	132,302
Investments in interest bearing securities - ultimate parent entity	26,274	19,963
Investments in unit trusts	21,711	24,344
Other financial assets at fair value through profit or loss	-	45
	198,942	176,654

9 Payables

	2020 $'000	2019 $'000
Accrued expenses	5,472	8,943
Other creditors	4,575	5,372
Related party payables		
Commonly controlled entity	22,820	27,621
Immediate parent entity	17,697	14,575
Ultimate parent entity - tax related	8,566	13,906
Other entities	671	438
	59,801	70,855

All payables are expected to be settled within 12 months.

10 Financial liabilities measured at fair value through profit or loss

	2020 $'000	2019 $'000
Current		
Derivatives	293	-
	293	-

11 Contributed equity

	2020 $'000	2019 $'000
Issued and paid-up capital		
245,250,000 ordinary shares, fully paid	245,250	245,250
	245,250	245,250

12 Notes to the Cash flow statement

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents as at the end of the reporting period as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows:

	2020 $'000	2019 $'000
Cash at bank and cash equivalents	130,975	115,896

(b) Reconciliation of profit after tax to net cash from operating activities

	2020 $'000	2019 $'000
Profit after tax	111,838	164,884
Add non-cash items		
Investing activities included in profit	(5,186)	(6,216)
Net cash from operating activities before change in assets and liabilities	106,652	158,668
Change in assets and liabilities		
Decrease in receivables	15,249	7,235
Decrease in payables	(11,054)	(33,881)
Increase/(decrease) in provisions	805	(14,653)
(Decrease)/increase in deferred revenue	(2,507)	4,895
(Decrease)/increase in deferred tax liabilities	(702)	5,058
Net cash from operating activities	108,443	127,322

13 Contingent liabilities

The Company may from time to time be exposed to contingent liabilities and potential claims in respect of the activities of the underlying funds for which it acts as Trustee as outlined in Note 1(j). As at the date of this report, there are no contingent liabilities where the underlying funds are not expected to have sufficient assets to indemnify the Company as appropriate.

As part of the operations of the business, the Company has been subject to various legal actions and claims. The Directors are of the view that the claims will not result in a significant loss to the Company and as such no provision is required at balance sheet date. Any contingent liability associated with these potential claims are not recognised as they cannot be reliably estimated at the date of this report.

14 Other Matters

Class Actions and potential regulatory investigation

In October 2019, litigation funder Omni Bridgeway (formerly IMF Bentham) and William Roberts Lawyers commenced a class action against the Company alleging breaches of the Company’s trustee obligations to act in the best interests of the former members of The Universal Super Scheme in deciding to maintain grandfathered commission on their transfer into the MLC Super Fund on 1 July 2016. The Company filed its defence in the proceeding in February 2020.

In January 2020, Maurice Blackburn commenced a class action against the Company and MLC Nominees Pty Ltd (MLCN) alleging breaches of the Company's and MLCN’s trustee obligations in connection with the speed with which the Company and MLCN effected transfers of members’ accrued default amounts to the MySuper product. The Company filed a joint defence with MLCN in the proceeding in April 2020.

The potential outcomes associated with both of these matters remain uncertain.

Plan Service Fees (PSF)

Following on from ASIC’s May 2017 report about its industry-wide investigation into financial advice fees, the NAB Group has finalised the payment of refunds to customers who were charged PSF, including refunds to customers who did not have a plan adviser attached to their superannuation account and customers who left an employer and were transferred to the personal division of the relevant corporate superannuation product. In September 2020 the Federal Court also delivered its judgement in the ASIC proceedings against the Company and a related party MLC Nominees Pty Ltd (MLCN) in relation to PSF. The portion of the penalty imposed on the Company was $8m with $49.5m imposed on MLCN (total $57.5m). This penalty was settled in October 2020 and was funded by NAB.

Workplace Super

A number of investigations are being carried out in relation to workplace super, including matters where some employer superannuation plans and member entitlements were not correctly set up in the administration systems, and matters relating to disclosure and administration of certain features of the super product such as insurance and fees. The potential outcome and total costs associated with these matters remain uncertain and are expected to be incurred by NAB.

Licence Conditions

In August 2020 APRA gave directions to the Company and imposed additional Licence Conditions on the Company as a RSE by exercising its powers under the Superannuation Industry (Supervision) Act (SIS Act). APRA did not find that the Company had breached the SIS Act best interest and priority covenants. Furthermore, APRA did not make any findings in relation to the Royal Commission referrals concerning the decisions around the timing of the transfer of Accrued Default Amounts to MySuper and maintenance of grandfathered commissions.

14 Other Matters (continued)

The licence conditions require the Company to uplift aspects of its governance and control environment covering the following broad areas:

1. Roles and responsibilities of the Office of Super Trustee
2. Risk and Compliance
3. Outsourcing
4. Insurance through super
5. Remediation

In addition, they also require the Company to improve the way in which it records its consideration of members' best interests and priority covenants when making decisions that may materially affect members.

Sale of MLC Wealth business

On 31 August 2020, NAB announced that it had agreed to sell MLC Wealth, comprising its Advice, Platform & Superannuation and Asset Management businesses (Including the Company) to IOOF Holdings Ltd (IOOF). At the date of completion, the Company's ultimate parent entity is expected to change from NAB to IOOF. The transaction is subject to certain conditions, including certain regulatory approvals. Subject to the timing of regulatory approvals, completion is expected to occur before 30 June 2021.

15 Remuneration of external auditor

	2020 $	2019 $
Total amounts paid or due and payable to EY Australia[1]:		
Financial statements audit	302,200	302,249
Regulatory compliance audit	80,193	80,193
Assurance over internal controls	215,248	159,558
Assurance services for the managed superannuation funds	1,010,286	999,510
Taxation services for the managed superannuation funds	-	71,770
Total remuneration of EY Australia	1,607,927	1,613,280

[1] *Amounts exclude goods and services tax.*

16 Related parties

No Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at reporting date.

Key management personnel compensation

	2020 $'000	2019 $'000
Short-term employee benefits	1,281	1,061
Post-employee benefits	95	89
	1,376	1,150

Costs in relation to key management personnel are paid by the immediate parent entity.

Other related party transactions

Details of cash and cash equivalents held with related parties are disclosed in Note 5 - Cash and cash equivalents. Receivables and payables arising out of related party transactions are non-interest bearing and unsecured. Details of amounts receivable from and payable to related parties are shown in Note 6 - Receivables and Note 9 - Payables.

Transactions between the Company and related parties during the year ended 30 September 2020 consisted of the following:

	2020 $'000	2019 $'000
Revenue received from and (expenses) paid to:		
Commonly controlled entities:		
MLC Asset Management Pty Limited - Asset Management Services	(6,945)	(6,820)
MLC Investments Limited - Asset Management Rebates	9,011	11,240
MLC Asset Management Services Limited - Advisory services	(25,230)	(25,388)
WealthHub Securities Limited - Brokerage related services	(326)	(265)
Godfrey Pembroke Limited - Commissions	(229)	(561)
GWM Adviser Services Limited - Commissions	(4,100)	(8,679)
Meritum Financial group Pty Limited - Commissions	(63)	(78)
Apogee Financial Planning Limited - Commissions	(525)	(1,141)
Immediate parent entity:		
MLC Wealth Limited - Administration services	(273,079)	(272,981)
Ultimate parent entity:		
NAB Ltd - Interest income and bank fees	(73)	793
NAB Ltd - Tax payments	(54,154)	(61,708)
NAB Ltd - Commissions	(394)	(1,346)
NAB Ltd - Custody fees	(990)	(480)
Other entities:		
MLC Super Fund - Trustee and administration services	424,142	501,608
MLC Pooled Superannuation Trust - Trustee and administration services	78,294	104,418
MLC Superannuation Fund - Trustee and administration services	12,630	6,462
DPM Retirement Service - Trustee and administration services	472	824
PremiumChoice Retirement Fund - Trustee and administration services	2,361	2,881
Redpoint Global Infrastructure Fund - fair value movement	(3,777)	3,458
Redpoint Global Infrastructure Fund - distribution reinvested	1,119	-

17 Risk management information

Risk management overview

This overview is provided to aid the users of the financial statements to understand the context of the financial disclosures required under AASB 7 *Financial Instruments: Disclosures* .

The Company is a subsidiary of NAB and is covered by NAB's Risk Management Framework (RMF). NAB's RMF integrates risk management processes into the NAB's strategic planning, appetite, policies, reporting and governance to ensure that risk is managed effectively and coherently across NAB. NAB's RMF is based on a 'Three Lines of Defence' model. Risk management accountabilities are allocated for risk ownership and functionally independent oversight and assurance across the three lines (see below). These act as the foundation for effective risk management across the organisation.

- First Line - Businesses own and manage risks and controls (including the identification and assessment of risk and controls) within their business and across the value chain in line with appetite.
- Second Line - The Risk function develops and maintains the risk management framework which enables the business to manage the risk and control environment within the Board approved risk appetite.
- Third Line - Internal Audit provides independent assurance over the RMF and its application by the First and Second Lines.

The NAB Board through the Risk Committee and executives promotes awareness of a risk based culture within NAB and supports the establishment by management of an acceptable balance between risk and reward. The Risk Management Strategy is reviewed annually, or more frequently, if there is a material change to the size, business mix and complexity or a material change to NAB's risk profile.

The Company is also a RSE Licensee regulated by the Australian Prudential Regulation Authority (APRA) and is required to have systems for identifying, assessing, managing, mitigating and monitoring material risks that may affect its ability to meet its obligations to beneficiaries. These systems, together with the structures, policies, processes and people supporting them, comprise the Company's own RMF. The Company's RMF specifically takes into account risks arising from NAB Group policy objectives and strategies, and clearly identifies any derivations, linkages or significant differences from the NAB Group risk management policies or functions, as well as the process for monitoring by, or reporting to, the NAB Group on risk management. The Company's Board is ultimately responsible for the Company's RMF and approves the use of any NAB Group policies or functions, and ensures that these policies and functions give appropriate regard to the Company's business operations and its specific requirements.

The financial condition and operating results of the Company are affected by a number of key financial and non-financial risks.

17 Risk management information (continued)

Financial risks include credit risk, liquidity risk and market risk (including interest rate risk). These risks are set out below.

(a) Credit risk

Credit risk represents the risk of loss arising from the failure of a counterparty to meet its obligations as contracted.

The Company is not materially exposed to any individual overseas country or region, or any individual counterparty outside of NAB (credit rating: AA-). The maximum exposure to credit risk is the assets carrying value.

Credit quality

The following table sets out the Company's exposure to credit risk and the credit quality of financial instruments at the balance sheet date:

30 September 2020	AAA	A+ to AA+	A- or Lower	No Credit rating	Total
	$	$	$	$	$
Cash and cash equivalents	-	130,975	-	-	130,975
Interest bearing securities	14,572	107,349	65,957	45,626	233,504
Receivables	-	-	-	63,288	63,288
Total	14,572	238,324	65,957	108,914	427,767

30 September 2019	AAA	AA-	A or lower	No credit rating	Total
	$	$	$	$	$
Cash and cash equivalents	-	115,896	-	-	115,896
Interest bearing securities	19,383	162,489	35,099	14,995	231,966
Receivables	-	-	-	78,537	78,537
Total	19,383	278,385	35,099	93,532	426,399

(b) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and price changes. The Company is not exposed to foreign exchange rate risk.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company manages interest rate risk in accordance with the NAB Group policy by maintaining an appropriate mix of fixed and variable rate instruments and the management of maturity dates of interest bearing instruments.

17 Risk management information (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

Interest rate risk exposure

The following table sets out the Company's exposure to interest rate risk at the balance sheet date:

	2020 $'000	2019 $'000
Cash and cash equivalents	130,975	115,896
Interest bearing securities	233,504	231,965
Total	**364,479**	**347,861**

Interest rate sensitivity analysis

The following table demonstrates the impact on profit after tax and equity to a reasonably possible change in interest rates:

Change in interest rate:	2020 $'000	2019 $'000
+ 50 basis points (2019: 100 basis points)	253	328
- 50 basis points (2019: 100 basis points)	(252)	(327)

(ii) Other price risk

Other price risk is the risk that the fair value of financial instruments may increase or decrease as a result of changes in market prices, whether these changes are caused by factors specific to an individual financial instrument or factors affecting all instruments, or classes of instruments in the market. The Company holds investments in unit trusts and interest bearing securities which are exposed to other price risk.

Other price risk exposure

The following table sets out the Company's exposure to other price risk at the balance sheet date:

	2020 $'000	2019 $'000
Unlisted unit trusts	21,711	24,344
Other Financial assets at fair value through profit and loss	-	45
Total	**21,711**	**24,389**

The following table demonstrates the impact on profit after tax and equity to a reasonably possible change in market prices:

Change in market prices:	2020 $'000	2019 $'000
+ 10% (2020: 10%)	1,520	1,704
- 10% (2020: 10%)	(1,520)	(1,704)

17 Risk management information (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting commitments associated with financial liabilities. The Company manages liquidity risk by ensuring that there is adequate access to reserves, banking facilities and borrowing commitments through ongoing monitoring of actual and forecasted cash flows.

Key principles adopted in managing the Company's exposure to liquidity risk include:

- Monitoring the Company's liquidity position on a daily basis, and modelling balance sheet and cash flow information on a periodic basis;
- Maintaining a high quality liquid asset portfolio which supports intra-day operations;
- Operating a prudent funding strategy which limits maturity concentrations;
- Maintaining a contingent funding plan designed to respond to the event of an accelerated outflow of funds from the Company; and
- Requiring the Company to have the ability to meet a range of survival horizon scenarios and liquidity stress

The Company's exposure to liquidity risk on financial instruments is limtied to what is disclosed in Note 9 - Payables. All payables are expected to be settled within 12 months.

(d) Capital risk management

The Company's key objectives and principles for managing capital are to satisfy regulatory requirements, maintain business and operational requirements and ensure the Company's ability to continue as a going concern. In addition, the Company seeks to maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets.

Regulatory capital is the capital which the Company is required to hold as determined by legislative and regulatory requirements. The requirements of APRA's Prudential Standard SPS 114 "Operational Risk Financial Requirement" (ORFR) are applicable to the Company and sufficient capital was held throughout the year to meet the ORFR. At 30 September 2020 the Company held capital of $283,321,000 109% of target (2019: $281,387,000) which would only be utilised to address an operational risk event.

Management regularly monitors compliance with internal and external capital requirements and the Company has complied with all externally imposed capital requirements during the year. The capital risk management strategy is unchanged from the prior year.

17 Risk management information (continued)

(e) Fair Value Measurements

The following table provides an analysis of financial instruments that are measured at fair value, using a hierarchy that reflects the significance of inputs used in measuring the fair value hierarchy. The level in the fair value hierarchy within which a fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair vale measurement in its entirety. The fair value hierarchy is as follows:

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

The fair value estimates are based on the following methodologies and assumptions:

- The fair values of investments in unlisted unit trusts are based on redemption price as established by the Responsible Entity/trustee of the underlying trust.
- The fair values of interest bearing securities are based on a discounted cash flow model using a yield curve appropriate to the remaining maturity of the instruments and appropriate credit spreads.

Fair value measurement as at 30 September 2020

	(Level 1) $'000	(Level 2) $'000	(Level 3) $'000	Total $'000
Financial assets				
Unlisted unit trusts	-	21,711	-	21,711
Interest bearing securities	-	212,086	-	212,086
Total financial assets measured at fair value	**-**	**233,797**	**-**	**233,797**
Financial liabilities				
Derivatives	293	-	-	293
Total financial liabilities measured at fair value	**293**	**-**	**-**	**293**

Fair value measurement as at 30 September 2019

	(Level 1) $'000	(Level 2) $'000	(Level 3) $'000	Total $'000
Financial assets				
Unlisted unit trusts	-	24,344	-	24,344
Interest bearing securities	-	231,965	-	231,965
Other financial assets at fair value through profit and loss	-	45	-	45
Total financial assets measured at fair value	-	256,354	-	256,354

18 Subsequent events

No items, transactions or events of a material and unusual nature have arisen between the end of the financial year and the date of this report, which are likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NULIS Nominees (Australia) Limited
Directors' declaration

In accordance with a resolution of the Directors of NULIS Nominees (Australia) Limited, we state that:

In the opinion of the Directors:

(a) the financial statements of the Company are in accordance with the *Corporations Act 2001* (Cth), including:

 (i) giving a true and fair view of the Company's financial position as at 30 September 2020 and its performance for the year ended on that date;

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001;*

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(b); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Andrew Gale

Director: Andrew Gale
10 November 2020

Director: Peter Promnitz
10 November 2020

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Independent Auditor's Report to the Members of NULIS Nominees (Australia) Limited

Opinion

We have audited the financial report of NULIS Nominees (Australia) Limited (the Company), which com prises the balance sheet as at 30 September 2020, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Company's financial position as at 30 September 2020 and of its 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 Company 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.

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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 Company 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 Company'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 Company 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our auditor's report.

David Jewell

Ernst & Young

Ernst & Young

David Jewell
Partner
Sydney
10 November 2020