

# ASX Announcement

31 May 2010

Manager  
Company Announcement Office  
Australian Stock Exchange  
Level 4, 20 Bridge Street  
Sydney NSW 2000

**Announcement No: POG – 06/10**

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## **Special Purpose Financial Statements for Progress 2005-1 Trust**

**ASX Security Code: POG**

Attached are the special purpose financial statements for Progress Trust 2005-1 for the period ended 31 December 2009.

# **Progress 2005-1 Trust**

ABN: 61 915 215 238

**Special Purpose Financial Report**  
For the year ended 31 December 2009

## PROGRESS 2005-1 TRUST

### Trustee's Report

For the year ended 31 December 2009

The financial statements for the year ended 31 December 2009 have been prepared by the Trust Manager, Priority One Agency Services Pty Limited as required by the Trust Deed.

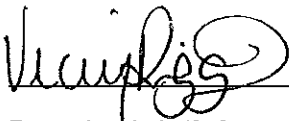
The Auditor of the Trust, Ernst & Young, who has been appointed by us in accordance with the Master Trust deed, has conducted an audit of these financial statements.

A review of the operations of the Trust and the results of those operations for the year ended 31 December 2009 is contained in the Manager's Report.

Based on our ongoing program of monitoring the Trust, the Trust Manager and our review of the financial statements, we believe that:

- (i) the Trust has been conducted in accordance with the Trust Deed; and
- (ii) the financial statements have been appropriately prepared and contain all relevant and required disclosures.

We are not aware of any material matter or significant change in the state of affairs of the Trust occurring up to the date of this report that requires disclosure in the financial statements and the notes thereto that has not already been disclosed.



For and on behalf of  
Perpetual Trustee Company Limited

Sydney, 27 May 2010

# **PROGRESS 2005-1 TRUST**

## **Manager's Report**

For the year ended 31 December 2009

The Manager presents its report on the financial statements of the Progress 2005-1 Trust ("the Trust") for the year ended 31 December 2009.

### **Trust manager**

The Trust Manager of the Trust for the year ended 31 December 2009 was Priority One Agency Services Pty Limited.

### **Principal activities**

The principal activity of the Trust during the year was the holding of assets of the Trust and the distribution of principal and finance charge collections to the note holders.

### **Review of operations**

The Trust was established under a Master Trust Deed dated 24 June 1997 and the Trust Series Notice dated 18 April 2005.

### **Financial results and distributions**

The net assets attributable to the unitholders for the year ended 31 December 2009 was \$nil (2008: \$4,003k, net liabilities) following a distribution of \$287k (2008: \$nil) made to unitholders.

### **Significant changes in the state of affairs of the trust**

There were no significant changes in the state of affairs of the Trust that occurred during the period, other than those disclosed in this report or the financial statements.

### **Rounding**

The Trust is an entity of the kind referred to in the ASIC Class Order 98/100 (as amended) and, in accordance with that order, amounts in the accompanying financial report have been rounded off to the nearest thousand dollars unless stated to be otherwise.

### **Events occurring after the reporting date**

At the date of this report, the Trust Manager is not aware of any matter or circumstance that has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of the Trust, the results of its operations or its state of affairs, which is not already reflected in this report.

### **Likely developments**

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

### **Environmental regulations**

The Trust's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or State or Territory.

## PROGRESS 2005-1 TRUST

### Manager's Report (continued)

For the year ended 31 December 2009

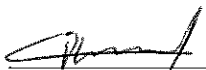
#### Indemnification and insurance of managers and officers

Pursuant to the Master Trust Deed establishing the Trust the Trust Manager is indemnified out of the assets of the Trust in respect of any liability, cost or expense properly incurred in its capacity as Trust Manager of the Trust (including the legal costs of defending actions brought against the Trust Manager, except to the extent a court finds that the Trust Manager has been negligent, fraudulent, in breach of its duties or in wilful default of its obligations).

During the financial year, AMP Limited agreed to insure all the officers of the Trust Manager against certain liabilities as permitted by the Corporations Act. The insurance policy prohibits disclosure of the nature of the cover, the amount of the premium, the limit of liability and other terms.

AMP Group Holdings Limited ("AMPGH") has entered into a deed of indemnity and access with each director of the Trust Manager. Each deed of indemnity and access provides that:

- the directors will have access to the books of the Trust Manager for their period of office and for seven years after they cease to hold office (subject to certain conditions); and
- AMPGH agrees to indemnify the directors of the Trust Manager, to the extent permitted by law, against any liability incurred by a director of the Trust Manager in his or her capacity as a director of the Trust Manager and of other AMP group companies.



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Signed for and on behalf of Priority One Agency Services Pty Limited  
as Manager of the Progress 2005-1 Trust

Sydney, 27 May 2010

## PROGRESS 2005-1 TRUST

### Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	2009 \$'000	2008 \$'000
Interest income	2	12,145	28,958
Interest expense and similar charges	2	(9,980)	(26,434)
<b>Net interest income</b>		<b>2,165</b>	<b>2,524</b>
Fee and commission income		354	417
Impairment loss on loans and advances		(76)	-
Other income (expenses)	3	2,548	(5,975)
Operating expenses	4	(701)	(969)
<b>Operating profit/(loss) before income tax</b>		<b>4,290</b>	<b>(4,003)</b>
Income tax expense		-	-
Distributions to unitholders		(287)	-
<b>Total comprehensive income/(loss) attributable to unitholders</b>		<b>4,003</b>	<b>(4,003)</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## PROGRESS 2005-1 TRUST

### Statement of Financial Position

As at 31 December 2009

	Notes	2009 \$'000	2008 \$'000
<b>Assets</b>			
Cash and cash equivalents	5	97	143
Receivables	6	10,426	11,461
Due from other banks		2,133	2,852
Loans to related parties	7	229,242	307,042
Other assets	8	26	28
<b>Total assets</b>		<b>241,924</b>	<b>321,526</b>
<b>Liabilities</b>			
Derivative financial liabilities		3,019	5,567
Debt securities on issue	9	237,306	317,253
Other liabilities	10	1,599	2,709
<b>Total liabilities</b>		<b>241,924</b>	<b>325,529</b>
<b>Net assets/(liabilities) attributable to unitholders</b>		<b>-</b>	<b>(4,003)</b>
<b>Represented by</b>			
<b>Accumulated losses attributable to unitholders</b>		<b>-</b>	<b>(4,003)</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## PROGRESS 2005-1 TRUST

### Statement of Changes in Equity

For the year ended 31 December 2009

	Accumulated losses <sup>(1)</sup> \$'000	Total \$'000
<b>31 December 2009</b>		
Balance at beginning of year	(4,003)	(4,003)
Total comprehensive income	4,003	4,003
<b>Balance at end of year</b>	<b>-</b>	<b>-</b>
<b>31 December 2008</b>		
Balance at beginning of year	-	-
Total comprehensive income	(4,003)	(4,003)
<b>Balance at end of year</b>	<b>(4,003)</b>	<b>(4,003)</b>

**Footnote:**

*(1) The total comprehensive income recognised in accumulated losses comprises the change in net assets (liabilities) attributable to the member of Progress 2005-1 Trust of \$4,003k profit (2008: \$4,003k loss).*



## PROGRESS 2005-1 TRUST

### Statement of Cash Flows

For the year ended 31 December 2009

	Notes	2009 \$' 000	2008 \$' 000
<b>Cash flows from operating activities</b>			
Interest received		12,433	29,414
Interest paid		(10,108)	(26,700)
Fees and commissions received		354	417
Other operating expenses paid		(701)	(968)
<i>Changes in assets and liabilities</i>			
Net decrease/(increase) in loans to related parties		77,436	95,081
Net decrease/(increase) in due from other banks		719	(384)
Net decrease/(increase) in receivables		1,034	(11,461)
Net increase/(decrease) in payables to related parties		(1,110)	(1,285)
Net decrease/(increase) in other assets		1	5
<b>Net cash flows from (used in) operating activities</b>	<b>14(b)</b>	<b>80,058</b>	<b>84,119</b>
<b>Cash flows from (used in) investing activities</b>			
Proceeds/(payment) for investment securities		-	11,950
<b>Net cash flows from Investing activities</b>		<b>-</b>	<b>11,950</b>
<b>Cash flows used in financing activities</b>			
Payments on redemption of debt securities in issue		(79,817)	(99,675)
Distribution to residual income beneficiary		(287)	-
<b>Net cash flows from (used in) financing activities</b>		<b>(80,104)</b>	<b>(99,675)</b>
<b>Net (decrease)/increase in cash held</b>		<b>(46)</b>	<b>(3,606)</b>
Cash and cash equivalents at beginning of year		143	3,749
<b>Cash and cash equivalents at end of year</b>	<b>14(a)</b>	<b>97</b>	<b>143</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# PROGRESS 2005-1 TRUST

## Notes to the Financial Statements For the year ended 31 December 2009

### 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the current year and the comparative period unless otherwise stated. The financial report includes financial statements for the Trust as a single entity.

#### a) Basis of Preparation

Progress 2005-1 Trust was constituted on 18 April 2005 and will terminate on its termination date, 22 April 2035, in accordance with the provisions of the Master Trust Deed.

The entity is not a reporting entity because in the opinion of the Trust Manager there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared in accordance with the Master Trust Deed and the following Australian Accounting Standards:

- AASB 101 'Presentation of Financial Statements';
- AASB 107 'Cash Flow Statements';
- AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors';

The financial report complies with the recognition and measurement requirements with Australian Accounting Standards issued by the Australian Accounting Standards Board.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar (\$) unless otherwise stated.

Where necessary, comparative information has been reclassified to be consistent with current period disclosures.

The financial report has been prepared on the historical cost basis, except for derivative assets and liabilities and debt securities in issue, which are at fair value.

#### *Accounting judgements and estimates*

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Assumptions made at each reporting date are based on best estimates at that date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

#### *Changes in accounting policy*

Since 1 January 2009, the Trust has adopted a number of Australian Accounting Standards and Interpretations which were mandatory for annual periods beginning on or after 1 January 2009. Adoption of these Standards and Interpretations has not had any effect on the financial position or performance of the Trust.

The main standard adopted since 1 January 2009 are as follows:

- AASB101 (Revised) "Presentation of Financial Statements": This revised standard introduces a number of amendments that impact the presentation of the Company's primary financial statements and notes to the financial statements. The revised standard includes the addition of a "Statement of Comprehensive Income" and a "Statement of Changes in Equity" and the "Balance sheet" is now called the "Statement of Financial Position". The revised standard does not impact the measurement or recognition of amounts disclosed in the Company's financial report.

#### *Australian Accounting Standards issued but not yet effective*

Australian Accounting Standards that have been issued or amended but are not yet effective have not been adopted for the reporting period ending 31 December 2009. When applied in future periods, these recently issued or amended standards are not expected to have a material impact on the Company's results, financial position or disclosures.

#### b) Interest income and expense

Interest income and expense for all financial instruments measured at amortised cost is recognised in the Statement of Comprehensive Income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

# PROGRESS 2005-1 TRUST

## Notes to the Financial Statements (continued)

For the year ended 31 December 2009

### 1. Summary of significant accounting policies (continued)

#### b) Interest income and expense (continued)

When calculating the effective interest rate, cash flows are estimated based upon all contractual terms of the financial instrument (for example, prepayment options) but do not consider future credit losses. The calculation includes all fees and other amounts paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

#### c) Fees and commissions income

Fees and commissions represent cost recovery or charges for services and are generally recognised on an accruals basis when the service has been provided.

#### d) Operating expenses

Operating expenses are expensed as incurred.

#### e) Other Income (expenses)

Other income (expenses) includes changes in fair value of derivatives.

#### f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that is available on demand.

#### g) Financial assets

##### *Loans to related parties*

Loans to related parties are initially recognised at fair value, net of directly attributable incremental transaction costs. After initial recognition loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the loan using the effective interest method. Early termination or re-structuring costs or revenue relating to loans is recognised in the Statement of Comprehensive Income in the period in which they are incurred or earned.

##### *Due from other banks*

Due from other banks includes deposits held with other banks with maturity greater than three months such as money market term loan deposits and collateral deposits.

#### h) Impairment of assets

Assets measured at fair value, where changes in value are reflected in the Statement of Comprehensive Income, are not subject to impairment testing. All other financial assets are reviewed each reporting date to determine whether there is objective evidence of impairment.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value (including realisation costs) and its value in use.

#### i) Financial liabilities

Financial liabilities are initially recognised at fair value net of directly attributable incremental transaction costs. After initial recognition, financial liabilities are subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption amount is recognised in the Statement of Comprehensive Income over the life of the financial liability using the effective interest method.

##### *Debt securities on issue*

The Trust as part of its securitisation activities, issues long term debt to wholesale debt market counterparties. The Trust hedges interest rate risk on certain debt issues.

**PROGRESS 2005-1 TRUST**  
**Notes to the Financial Statements (continued)**  
For the year ended 31 December 2009

**1. Summary of significant accounting policies (continued)**

**Accounting for hedges**

*Derivatives that do not qualify for hedge accounting*

Certain derivative financial instruments do not qualify for hedge accounting. Changes in the fair value of any derivative financial instrument that does not qualify for hedge accounting are recognised in the Statement of Comprehensive Income in the period in which they arise.

*Fair value estimation*

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and available for sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Trust is the current bid price; the appropriate quoted market price for financial liabilities is the current offer price.

The fair value of financial instruments that are not traded in an active market (for example over the counter derivatives) is determined using valuation techniques. Valuation Techniques include net present value techniques, discounted cash flow models and comparison to quoted market prices or dealer quotes for similar instruments. Inputs into the models are market observable.

**j) Taxes**

*Income tax*

Under current income tax legislation, the Trust is not liable to pay income tax on that part of taxable income, which is distributed to beneficiaries of the Trust. Taxable losses cannot be distributed to beneficiaries of the Trust.

*Goods and services tax*

All revenues, expenses and assets are recognised net of any GST paid, except where they relate to products or services which are input taxed for GST purposes or 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 asset or as part of the particular 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 balance sheet.

Cash flows are reported 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, the local tax authorities are classified as operating cash flows.

**k) Rounding**

All amounts in the financial report have been rounded to the nearest thousand dollars, unless stated to be otherwise.

**l) Receivables**

Receivables from related parties are recognised at amortised cost and are non interests bearing assets.

**m) Other assets**

Other assets are recognised at amortised cost and include interest receivable on derivatives and other sundry assets.

**n) Other liabilities**

Other liabilities are valued at amortised cost and include accrual interest on term borrowings, sundry creditors and interest payable on derivatives.

**o) Going concern**

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal trading operations and the realisation of assets and settlement of liabilities in the ordinary course of business.

The ability of the Trust to continue to pay its debts as and when they fall due is dependant upon the continuing financial support from financiers' positive cash flows and profitable operations. Given that the Trust and its related parties have sufficient financing facilities, the officers of the Trust Manager are of the opinion that the Trust is a going concern and can pay its debts as and when they fall due.

**PROGRESS 2005-1 TRUST**  
**Notes to the Financial Statements (continued)**  
For the year ended 31 December 2009

**2. Net interest income**

	2009 \$'000	2008 \$'000
<b>Interest income</b>		
Loans and advances to banks	104	528
Debt securities	-	282
Loans and advances to customers	11,684	27,873
Loans to parent entity	357	275
<b>Total interest income</b>	<b>12,145</b>	<b>28,958</b>
<b>Interest expense and similiar charges</b>		
Debt securities in issue	(9,980)	(26,434)
<b>Total interest expense and similiar charges</b>	<b>(9,980)</b>	<b>(26,434)</b>
<b>Net interest income</b>	<b>2,165</b>	<b>2,524</b>

**3. Other income (expenses)**

	2009 \$'000	2008 \$'000
Gains/(losses) on fair value of derivatives	2,548	(5,975)
<b>Total other income (expenses)</b>	<b>2,548</b>	<b>(5,975)</b>

**4. Operating expenses**

	2009 \$'000	2008 \$'000
Trust Manager fees	(82)	(110)
Service fees	(515)	(734)
Trustee fees	(43)	(57)
Other	(61)	(68)
<b>Total operating expenses</b>	<b>(701)</b>	<b>(969)</b>

**5. Cash and cash equivalents**

	2009 \$'000	2008 \$'000
Cash at bank	97	143
<b>Total cash and cash equivalents</b>	<b>97</b>	<b>143</b>

**PROGRESS 2005-1 TRUST**  
**Notes to the Financial Statements (continued)**  
For the year ended 31 December 2009

**6. Receivables**

	2009 \$'000	2008 \$'000
Receivables from parent entity	10,426	11,461
<b>Total receivables</b>	<b>10,426</b>	<b>11,461</b>

**7. Loans to related parties**

	2009 \$'000	2008 \$'000
Loans to related parties	229,242	307,042
<b>Total loans to related parties</b>	<b>229,242</b>	<b>307,042</b>

Loans to related parties represent loans receivable from AMP Bank Limited.

Under the terms of the Master Trust Deed, AMP Bank Limited assigns mortgage loan assets from AMP Bank Limited to the Warehouse Trusts. The mortgage loan assets were transferred from the Warehouse Trusts to Progress 2005-1 Trust.

Although the loans have been equitably assigned to the Trust, the majority of the risks and rewards relating to these assets have been assessed as remaining with AMP Bank Limited.

Accordingly, the assignment of the mortgage loans from AMP Bank Limited to the Trust does not meet the derecognition requirements set out in current accounting standards. For the year ended 31 December 2009 the loans have been recognised as mortgage loan assets in the financial statements of AMP Bank Limited with a corresponding liability payable to the Trust. The recognition of these amounts as loans to related parties in the Trust ensures consistency in reporting.

The terms, conditions and maturity profile of the loans receivable from AMP Bank Limited are consistent to those of the mortgage loan assets.

As Progress 2005-1 Trust has been equitably assigned the mortgage loans, the Trust has entered into, in accordance with the Master Trust Deed, various facilities and arrangements relating to the mortgage loans including a redraw facility.

**8. Other assets**

	2009 \$'000	2008 \$'000
Interest receivable	2	3
Other assets	24	25
<b>Total other assets</b>	<b>26</b>	<b>28</b>

**PROGRESS 2005-1 TRUST**  
**Notes to the Financial Statements (continued)**  
For the year ended 31 December 2009

**9. Debt securities on issue**

	2009 \$'000	2008 \$'000
Term borrowings <sup>(1)</sup>	237,306	317,253
<b>Total debt securities on issue</b>	<b>237,306</b>	<b>317,253</b>

**Footnote:**

(1) Term borrowings consist of the following:

Class 1A floating rate notes due April 2035 AUS\$ 224,018,333 (2008: AUS\$ 301,368,427) at BBSW plus 0.18%.

Class B floating rate notes due April 2035 AUS\$ 13,017,244 (2008: AUS \$15,483,783) at BBSW plus 0.30%.

As security for the obligations to the note holders, the Trustee grants a charge over the assets of the Trust to the Security Trustee.

**10. Other liabilities**

	2009 \$'000	2008 \$'000
Payables to related parties	1,599	2,709
<b>Total other liabilities</b>	<b>1,599</b>	<b>2,709</b>

**11. Units on issue**

	2009 Number	2009 \$	2008 Number	2008 \$
Residual capital units	10	50	10	50
Residual income units	1	5	1	5

**Residual Capital Units**

The beneficial interest held by the holders of the Residual Capital Units is limited to the Trust and each asset of the Trust (other than any asset of the Trust on Trust for the holders of Residual Income Units). Residual Capital Units have no right to receive distributions in respect of the Trust other than the right to receive on the termination of the Trust the issue price paid for the Residual Capital Unit and the entire beneficial interest of the Trust subject to the right of the holders of Residual Income Units.

**Residual Income Units**

The beneficial interest held by the holder of a Residual Income Unit is limited to the right to receive distributions. A Residual Income Unit must not be issued to any person unless that person is also then the holder of a Residual Capital Unit.

**12. Auditors' remuneration**

The Trust's audit fees are paid by AMP Bank Limited.

**13. Commitments**

Commitments to provide credit

	2009 \$'000	2008 \$'000
Redraws on existing loans and advances	85,944	93,708
<b>Total commitments</b>	<b>85,944</b>	<b>93,708</b>

The obligation to provide redraws to existing mortgage holders is revocable.

**PROGRESS 2005-1 TRUST**  
**Notes to the Financial Statements (continued)**  
For the year ended 31 December 2009  
14. Notes to the statement of cash flows

	2009	2008
	\$'000	\$'000
a) Reconciliation of cash and cash equivalents		
Cash at bank (note 5)	97	143
<b>Cash and cash equivalents at end of year</b>	<b>97</b>	<b>143</b>

b) Reconciliation of changes in net assets/(liabilities) attributable to unitholders to net cash provided by operating activities

Change in net assets/(liabilities) attributable to unitholders	4,003	(4,003)
<i>Non cash items:</i>		
Fair value movement of derivatives	(2,548)	5,976
Impairment loss on loans and advances	76	-
Trust distribution made to residual income beneficiary	287	-
Net decrease/(increase) in interest receivable	288	456
Net increase/(decrease) in interest payable	(128)	(266)
Net decrease/(increase) in due from other banks	719	(384)
Net decrease/(increase) in loans to related parties	77,436	95,081
Net increase/(decrease) in payables to related parties	(1,110)	(1,285)
Net decrease/(increase) in receivables from related parties	1,034	(11,461)
Net decrease/(increase) in other assets	1	5
<b>Net cash flows from operating activities</b>	<b>80,058</b>	<b>84,119</b>

c) AMP Bank Limited has provided the Trust with a standby liquidity facility.

15. Events occurring after the reporting date

At the date of this report, the Trust Manager is not aware of any matter or circumstance that has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of the Trust, the results of its operations or its state of affairs, which is not already reflected in this report.



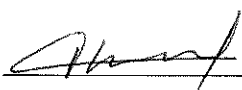
## PROGRESS 2005-1 TRUST

### Manager's Declaration

For the year ended 31 December 2009

In the opinion of the Manager:

- (a) the financial statements set out on pages 4 to 14 are drawn up in accordance with the basis of accounting described in Note 1 so as to present fairly the results of the operations and cash flows for the year ended 31 December 2009, and the state of the affairs of the Trust as at 31 December 2009;
- (b) the Trust has operated during the year ended 31 December 2009 in accordance with the provisions of the Master Trust Deed dated 24 June 1997; and
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.



For and on behalf of Priority One Agency  
Services Pty Limited as Manager of the  
Progress 2005-1 Trust

27 May 2010

## **Independent auditor's report to the unitholders of Progress 2005-1 Trust**

We have audited the accompanying special purpose financial report of Progress 2005-1 Trust, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Manager's Declaration.

### **Trust Manager's Responsibility for the Financial Report**

The Trust Manager is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Trust Deed and are appropriate to meet the needs of the unitholders. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the unitholders.

We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trust Manager, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the unitholders for the purpose of fulfilling the Trust Manager's financial reporting requirements under the Trust Deed. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the unitholders, or for any purpose other than that for which it was prepared.

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

### **Independence**

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

## Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Progress 2005-1 Trust as of 31 December 2009 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

*Ernst & Young*  
Ernst & Young

Sydney  
27 May 2010