

Infratil Limited
Statement of Comprehensive Income
For the 6 months ended 30 September 2020

	Notes	6 months ended 30 September 2020 \$000 Unaudited	6 months ended 30 September 2019 \$000 Unaudited	Year ended 31 March 2020 \$000 Audited
Dividends received from subsidiary companies		-	-	-
Subvention income		-	-	-
Operating revenue		22,204	19,893	42,468
Total revenue		22,204	19,893	42,468
Directors' fees		492	524	1,053
Other operating expenses		22,799	21,042	43,083
Total operating expenditure	4	23,291	21,566	44,136
Operating surplus before financing, derivatives, realisations and impairments		(1,087)	(1,673)	(1,668)
Net gain/(loss) on foreign exchange and derivatives		1,070	1,441	3,105
Net realisations, revaluations and (impairments)		-	-	-
Interest income		60,398	59,261	122,722
Interest expense		(31,118)	(34,081)	(69,228)
Net financing expense		29,280	25,180	53,494
Net surplus/(loss) before taxation		29,263	24,948	54,931
Taxation credit/(expense)	6	(1,631)	2,917	2,375
Net surplus/(loss) for the period		27,632	27,865	57,306
Other comprehensive income, after tax				
Fair value movements in relation to the executive share scheme		-	(912)	(912)
Total other comprehensive income after tax		-	(912)	(912)
Total comprehensive income for the period		27,632	26,953	56,394

The accompanying notes form part of these financial statements.

Infratil Limited
Statement of Changes in Equity

	Notes	Capital \$000 Unaudited	Other reserves \$000 Unaudited	Retained earnings \$000 Unaudited	Total \$000 Unaudited
For the 6 months ended 30 September 2020					
Balance as at 1 April 2020		747,616	-	42,481	790,097
Total comprehensive income for the period					
Net surplus for the period		-	-	27,632	27,632
Other comprehensive income after tax					
Fair value movements in relation to executive share scheme		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	27,632	27,632
Contributions by and distributions to owners					
Shares issued		294,212	-	-	294,212
Conversion of executive redeemable shares		-	-	-	-
Dividends to equity holders	3	-	-	(72,497)	(72,497)
Total contributions by and distributions to owners		294,212	-	(72,497)	221,715
		1,041,828	-	(2,384)	1,039,444
Balance at 30 September 2020		1,041,828	-	(2,384)	1,039,444
For the 6 months ended 30 September 2019					
Balance as at 1 April 2019		Unaudited 354,552	Unaudited 912	Unaudited 98,891	Unaudited 454,355
Total comprehensive income for the period					
Net surplus for the period		-	-	27,865	27,865
Other comprehensive income after tax					
Fair value movements in relation to executive share scheme		-	(912)	-	(912)
Total other comprehensive income		-	(912)	-	(912)
Total comprehensive income for the period		-	(912)	27,865	26,953
Contributions by and distributions to owners					
Shares issued		391,305	-	-	391,305
Conversion of executive redeemable shares		883	-	-	883
Dividends to equity holders	3	-	-	(72,536)	(72,536)
Total contributions by and distributions to owners		392,188	-	(72,536)	319,652
		746,740	-	54,220	800,960
Balance at 30 September 2019		746,740	-	54,220	800,960
For the year ended 31 March 2020					
Balance as at 1 April 2019		Audited 354,552	Audited 912	Audited 98,891	Audited 454,355
Total comprehensive income for the year					
Net surplus for the year		-	-	57,306	57,306
Other comprehensive income after tax					
Fair value movements in relation to executive share scheme		-	(912)	-	(912)
Total other comprehensive income		-	(912)	-	(912)
Total comprehensive income for the year		-	(912)	57,306	56,394
Contributions by and distributions to owners					
Share buyback		(3,725)	-	-	(3,725)
Shares issued		390,874	-	-	390,874
Shares issued under dividend reinvestment plan		5,032	-	-	5,032
Conversion of executive redeemable shares		883	-	-	883
Dividends to equity holders	3	-	-	(113,716)	(113,716)
Total contributions by and distributions to owners		393,064	-	(113,716)	279,348
		747,616	-	42,481	790,097
Balance at 31 March 2020		747,616	-	42,481	790,097


The accompanying notes form part of these financial statements.

Infratil Limited
Statement of Financial Position
As at 30 September 2020

	Notes	30 September 2020 \$000 Unaudited	30 September 2019 \$000 Unaudited	31 March 2020 \$000 Audited
Cash and cash equivalents		-	-	-
Prepayments and sundry receivables		2,214	2,380	1,172
Derivative financial instruments	8	-	-	-
Income tax receivable		-	-	-
Advances to subsidiary companies	12	1,893,644	1,762,704	1,645,101
Current assets		1,895,858	1,765,084	1,646,273
Deferred tax		19,095	18,571	19,048
Investments	12	585,529	585,529	585,529
Non-current assets		604,624	604,100	604,577
Total assets		2,500,482	2,369,184	2,250,850
Bond interest payable		4,076	6,069	4,556
Accounts payable		3,927	4,617	4,049
Accruals and other liabilities		1,160	3,624	272
Infrastructure bonds	7	93,721	148,961	-
Derivative financial instruments	8	-	659	-
Loans from Group companies	12	153,897	153,897	153,897
Total current liabilities		256,781	317,827	162,774
Infrastructure bonds	7	968,619	1,012,876	1,061,271
Perpetual Infratil Infrastructure bonds	7	231,917	231,725	231,917
Derivative financial instruments	8	3,721	5,796	4,791
Non-current liabilities		1,204,257	1,250,397	1,297,979
Attributable to shareholders of the Company		1,039,444	800,960	790,097
Total equity		1,039,444	800,960	790,097
Total equity and liabilities		2,500,482	2,369,184	2,250,850

Approved on behalf of the Board on 11 November 2020


Director


Director

The accompanying notes form part of these financial statements.

Infratil Limited
Statement of Cash Flows
For the 6 months ended 30 September 2020

	Notes	6 months ended 30 September 2020 \$000 Unaudited	6 months ended 30 September 2019 \$000 Unaudited	Year ended 31 March 2020 \$000 Audited
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Dividends received from subsidiary companies		-	-	-
Subvention receipt		-	-	-
Interest received		60,398	59,261	122,722
Operating revenue receipts		22,205	20,974	43,535
		82,603	80,235	166,257
<i>Cash was dispersed to:</i>				
Interest paid		(30,529)	(33,526)	(67,766)
Payments to suppliers		(23,568)	(20,677)	(44,493)
Taxation paid		(1,678)	(2,066)	(2,462)
		(55,775)	(56,269)	(114,721)
Net cash flows from operating activities	9	26,828	23,966	51,536
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Net movement in subsidiary company loan		-	-	-
		-	-	-
<i>Cash was dispersed to:</i>				
Acquisition of shares in subsidiary		-	-	-
Net movement in subsidiary company loan		(248,543)	(611,696)	(494,092)
		(248,543)	(611,696)	(494,092)
Net cash flows from investing activities		(248,543)	(611,696)	(494,092)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Proceeds from issue of shares		294,212	392,217	396,784
Issue of bonds		-	268,332	316,441
		294,212	660,549	713,225
<i>Cash was dispersed to:</i>				
Repayment of bonds		-	-	(148,998)
Infrastructure bond issue expenses		-	(283)	(4,230)
Repurchase of shares		-	-	(3,725)
Dividends paid	3	(72,497)	(72,536)	(113,716)
		(72,497)	(72,819)	(270,669)
Net cash flows from financing activities		221,715	587,730	442,556
Net cash movement		-	-	-
Cash balances at beginning of period		-	-	-
Cash balances at period end		-	-	-

Note some cash flows above are directed through an intercompany account. The cash flow statement above has been prepared on the assumption that these transactions are equivalent to cash in order to present the total cash flows of the entity.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the 6 months ended 30 September 2020

(1) Accounting policies

Reporting entity

Infratil Limited ('the Company') is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed on the NZX Main Board ('NZX') and Australian Securities Exchange ('ASX'), and is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013.

Basis of preparation

These unaudited condensed half year financial statements ('half year statements') of Infratil Limited have been prepared in accordance with *NZ IAS 34 Interim Financial Reporting* and comply with *IAS 34 Interim Financial Reporting*. The half year statements have been prepared in accordance with the accounting policies stated in the published financial statements for the year ended 31 March 2020 and should be read in conjunction with the previous annual report. No changes have been made from the accounting policies used in the 31 March 2020 annual report which can be obtained from Infratil's registered office or www.infratil.com. The presentation currency used in the preparation of these financial statements is New Zealand dollars, which is also the Company's functional currency. Comparative figures have been restated where appropriate to ensure consistency with the current period.

(2) Nature of business

The Company is the ultimate parent company of the Infratil Group, owning infrastructure and utility businesses and investments in New Zealand, Australia, Europe and the United States. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Market Lane, Wellington, New Zealand.

(3) Infratil shares and dividends

	6 months ended 30 September 2020 Unaudited	6 months ended 30 September 2019 Unaudited	Year ended 31 March 2020 Audited
Total issued capital at the beginning of the period	659,678,837	559,278,166	559,278,166
<i>Movements in issued and fully paid ordinary shares during the period:</i>			
New shares issued	63,273,696	99,992,228	99,992,228
New shares issued under dividend reinvestment plan	-	-	1,030,793
Treasury Stock reissued under dividend reinvestment plan	-	-	-
Conversion of executive redeemable shares	-	265,267	265,267
Share buyback	-	-	(887,617)
Total issued capital at the end of the period	722,952,533	659,535,661	659,678,837

During the period the Company issued new shares to provide additional balance sheet flexibility and to fund growth investments across Infratil's existing portfolio companies and take advantage of new opportunities that may arise, raising \$294.2 million via an institutional placement and share purchase plan for existing shareholders. During the comparative period the Company issued new shares to support the acquisition of a 49.9% share of Vodafone New Zealand Limited, raising net proceeds after issue costs of \$390.9 million via an institutional placement and an entitlement offer to existing shareholders. All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 30 September 2020 the Group held 1,662,617 shares as Treasury Stock (30 September 2019: 775,000, 31 March 2020: 1,662,617).

Dividends paid on ordinary shares

Dividends declared and paid by the Company for the period were as follows:

	6 months ended 30 September 2020 Unaudited cps	6 months ended 30 September 2019 Unaudited cps	Year ended 31 March 2020 Audited cps	6 months ended 30 September 2020 Unaudited \$000	6 months ended 30 September 2019 Unaudited \$000	Year ended 31 March 2020 Audited \$000
Final dividend prior year	11.00	11.00	11.00	72,497	72,536	72,526
Interim dividend paid	-	-	6.25	-	-	41,212
	11.00	11.00	17.25	72,497	72,536	113,738

Notes to the Financial Statements
For the 6 months ended 30 September 2020

(4) Other operating expenses

		6 months ended 30 September 2020 Unaudited \$000	6 months ended 30 September 2019 Unaudited \$000	Year ended 31 March 2020 Audited \$000
Fees paid to the Company auditor		266	133	209
Directors' fees		492	524	1,053
Administration and other corporate costs		3,210	3,676	5,931
Management fee (to related party Morrison & Co Infrastructure Management)	12	19,323	17,233	36,943
Total other operating expenses		23,291	21,566	44,136

(5) Net investment realisations and (impairments)

At 30 September 2020 the Company reviewed the carrying amounts of loans to Infratil Group companies to determine whether there is any indication that those assets have suffered an impairment loss. The recoverable amount of the asset was estimated by reference to the counterparties' net asset position and ability to repay loans out of operating cash flows in order to determine the extent of any impairment loss. Management also considered the impact of the COVID-19 pandemic and forecasts for deteriorating global macroeconomic conditions as part of this assessment. As a result the Company did not impair any loans to Infratil Group companies in the period (30 September 2019: nil, 31 March 2020: nil). These balances are within the Infratil Wholly Owned Group to entities also controlled either directly or indirectly by Infratil Limited.

(6) Taxation

	6 months ended 30 September 2020 Unaudited \$000	6 months ended 30 September 2019 Unaudited \$000	Year ended 31 March 2020 Audited \$000
Surplus/(loss) before taxation	29,263	24,948	54,931
Taxation on the surplus/(loss) for the period @ 28% tax rate	8,194	6,985	15,381
<i>Plus/(less) taxation adjustments:</i>			
Exempt dividends	-	-	-
Tax losses not recognised/(utilised)	-	-	-
Subvention payment	-	-	-
Losses offset within Group	(8,166)	(6,771)	(14,662)
Timing differences not recognised	-	-	(3,085)
(Under)/over provision in prior periods	1,590	(3,172)	(92)
Other permanent differences	13	41	83
Taxation expense/(credit)	1,631	(2,917)	(2,375)
Current taxation	-	(58)	2,470
Deferred taxation	1,631	(2,859)	(4,845)
	1,631	(2,917)	(2,375)

There was no income tax recognised in other comprehensive income during the period (30 September 2019: nil, 31 March 2020: nil)

Notes to the Financial Statements
For the 6 months ended 30 September 2020

(7) Infrastructure bonds

	6 months ended 30 September 2020 Unaudited \$000	6 months ended 30 September 2019 Unaudited \$000	Year ended 31 March 2020 Audited \$000
Balance at the beginning of the period	1,293,188	1,127,560	1,127,560
Issued during the period	-	268,332	316,441
Exchanged during the period	-	-	(29,326)
Matured during the period	-	-	(119,671)
Bond issue costs capitalised during the period	-	(3,468)	(4,230)
Bond issue costs amortised during the period	1,069	1,138	2,414
Balance at the end of the period	1,294,257	1,393,562	1,293,188
Current	93,721	148,961	-
Non-current fixed coupon	846,904	902,259	939,636
Non-current variable coupon	121,715	110,617	121,635
Non-current perpetual variable coupon	231,917	231,725	231,917
Balance at the end of the period	1,294,257	1,393,562	1,293,188
<i>Repayment terms and interest rates:</i>			
IFT200 maturing in November 2019, 6.75% p.a. fixed coupon rate	-	68,500	-
IFT090 maturing in February 2020, 8.50% p.a. fixed coupon rate	-	80,498	-
IFT220 maturing in June 2021, 4.90% p.a. fixed coupon rate	93,883	93,883	93,883
IFT190 maturing in June 2022, 6.85% p.a. fixed coupon rate	93,696	93,696	93,696
IFT240 maturing in December 2022, 5.65% p.a. fixed coupon rate	100,000	100,000	100,000
IFT210 maturing in September 2023, 5.25% p.a. fixed coupon rate	122,104	122,104	122,104
IFT230 maturing in June 2024, 5.50% p.a. fixed coupon rate	56,117	56,117	56,117
IFT260 maturing in December 2024, 4.75% p.a. fixed coupon rate	100,000	100,000	100,000
IFT250 maturing in June 2025, 6.15% p.a. fixed coupon rate	43,413	43,413	43,413
IFT300 maturing in March 2026, 3.35% p.a. fixed coupon rate	36,976	-	36,976
IFT280 maturing in December 2026, 3.35% p.a. fixed coupon rate	156,279	156,279	156,279
IFT270 maturing in December 2028, 4.85% p.a. fixed coupon rate until 15 December 2023	146,249	146,249	146,249
IFTHC maturing in December 2029, 3.50% p.a. variable coupon rate reset annually from December 2020	123,186	112,053	123,186
IFTHA Perpetual Infratil infrastructure bonds	231,917	231,917	231,917
less: Bond issue costs capitalised and amortised over term	(9,563)	(11,147)	(10,632)
Balance at the end of the period	1,294,257	1,393,562	1,293,188

Fixed coupon

The fixed coupon bonds the Company has on issue are at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds.

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 231,916,600 (30 September 2019: 231,916,600, 31 March 2020: 231,916,600) PIIBs on issue at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 November 2020 the coupon will be fixed at 2.67% per annum (September 2019: 3.55%, March 2020: 2.67%). Thereafter the rate will be reset annually at 1.5% per annum over the then one year bank rate for quarterly payments, unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (September 2019: nil, March 2020: nil) were repurchased by Infratil Limited during the period.

IFTHC bonds

The Company has 123,186,000 (30 September 2019: 112,053,000, 31 March 2020: 123,186,000) IFTHCs on issue at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 December 2020 the coupon is fixed at 3.50% per annum (September 2019: 3.50%, March 2020: 3.50%). Thereafter the rate will be reset annually at 2.5% per annum over the then one year bank rate for quarterly payments.

IFT270 bonds

The interest rate of the IFT270 bonds is fixed for the first five years and then reset on 15 December 2023 for a further five years. The interest rate for the IFT270 bonds for the period from (but excluding) 15 December 2023 until the maturity date will be the sum of the five year swap rate on 15 December 2023 plus a margin of 2.50% per annum.

Throughout the period the Company complied with all debt covenant requirements as imposed by the bond Supervisor.

At 30 September 2020 the infrastructure bonds (including PIIBs) had a fair value of \$1,250.2 million (30 September 2019: \$1,393.6 million, 31 March 2020: \$1,161.5 million).

Notes to the Financial Statements
For the 6 months ended 30 September 2020

(8) Financial instruments

Interest rates

Interest rate risk is the risk of interest rate volatility negatively affecting the Company's interest expense cash flow and earnings. The Company mitigates this risk by issuing borrowings at fixed interest rates or entering into Interest Rate Swaps to convert floating rate exposures to fixed rate exposure. Borrowings issued at fixed rates expose the Company to fair value interest rate risk which is managed by the interest rate profile and hedging.

Fair value hierarchy

The analyses of financial instruments carried at fair value, by valuation method is below. The different levels have been defined as follows:

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

The Company has interest rate swap derivatives that are classified as Level 2 and have a fair value liability of \$3.7 million at 30 September 2020 (30 September 2019: \$6.5 million, 31 March 2020: \$4.8 million).

(9) Reconciliation of net surplus with cash flow from operating activities

	6 months ended 30 September 2020	6 months ended 30 September 2019	Year ended 31 March 2020
	Unaudited \$000	Unaudited \$000	Audited \$000
Net surplus/(loss)	27,632	27,865	57,306
<i>Add items not involving cash flows</i>			
Movement in financial derivatives taken to the profit or loss	(1,070)	(1,441)	(3,105)
Amortisation of deferred bond issue costs	1,073	1,138	2,414
<i>Movements in working capital</i>			
Change in receivables and prepayments	(1,046)	(315)	893
Change in trade payables	(122)	549	(20)
Change in accruals and other liabilities	407	538	(1,107)
Change in taxation and deferred tax	(46)	(4,368)	(4,845)
Net cash inflow/(outflow) from operating activities	26,828	23,966	51,536

(10) Commitments

There are no outstanding commitments (30 September 2019: nil, 31 March 2020: nil).

(11) Contingent liabilities

The Company and certain wholly owned subsidiaries are guarantors of the bank debt facilities of Infratil Finance Limited under a Deed of Negative Pledge, Guarantee and Subordination and the Company is a guarantor to certain obligations of subsidiary companies.

The Company has a contingent liability under the international fund management agreement with Morrison & Co International Limited in the event that the Group sells its international assets, or valuation of the assets exceeds the performance thresholds set out in the international fund management agreement.

Notes to the Financial Statements
For the 6 months ended 30 September 2020

(12) Related parties

Certain Infratil Directors have relevant interests in a number of companies with which Infratil has transactions in the normal course of business. A number of key management personnel are also Directors of Group subsidiary companies and associates.

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company for the Company and receives management fees in accordance with the applicable management agreement. MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Mr Bogoevski is a director of Infratil and is a director and Chief Executive Officer of MCO. Entities associated with Mr Bogoevski also have beneficial interests in MCO.

MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Mr Bogoevski is a director of Infratil and is also a director and Chief Executive Officer of MCO. Entities associated with Mr Bogoevski also have beneficial interests in MCO.

The Company has the following significant loans and investments to/(from)/in its subsidiaries:

Related party	Interest income			Intercompany (loan)/advance/investment at carrying value		
	6 months ended 30 September 2020 Unaudited \$000	6 months ended 30 September 2019 Unaudited \$000	Year ended 31 March 2020 Audited \$000	30 September 2020 Unaudited \$000	30 September 2019 Unaudited \$000	31 March 2020 Audited \$000
<i>Advances</i>						
Infratil Finance	60,397	59,257	122,714	1,893,644	1,762,704	1,645,101
Aotea Energy Holdings Limited	-	-	-	(153,897)	(153,897)	(153,897)
<i>Investments in</i>						
Infratil Investments Limited				87,665	87,665	87,665
Infratil 1998 Limited				12,000	12,000	12,000
Infratil Finance Limited				153,897	153,897	153,897
Infratil No. 1 Limited				78,024	78,024	78,024
Infratil PPP Limited				5,942	5,942	5,942
Infratil No. 5 Limited				248,001	248,001	248,001

(13) Events after balance date

Acquisition of Qscan Group Holdings Pty Ltd

On 26 October 2020, Infratil announced that it had executed a conditional offer to acquire up to 60% of Qscan Group Holdings Pty Ltd ('Qscan') from Quadrant Private Equity ('QPE') and existing director and management shareholders for total cash equity consideration of up to A\$330 million. Qscan is a comprehensive diagnostic imaging business operating predominantly on the eastern seaboard of Australia. Qscan is one of Australia's largest radiology providers, operating over 70 clinics across Australia. Infratil has made the offer in conjunction with the Morrison & Co Growth Infrastructure Fund ('MGIF'), which has conditionally offered to acquire up to 15% of Qscan. Infratil's investment will be funded from existing bank facilities and available capital.

Completion of the acquisition is conditional on obtaining Foreign Investment Review Board of Australia approval by 31 December 2020, which can be extended by either party to 26 February 2021.

Dividend

On 11 November 2020, the Directors approved a partially imputed interim dividend of 6.25 cents per share to holders of fully paid ordinary shares to be paid on 15 December 2020.

Directory

Directors

Mark Tume (Chairman)
Marko Bogoievski
Alison Gerry
Paul Gough
Kirsty Mactaggart
Catherine Savage
Peter Springford

Company Secretary

Nick Lough

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Manager

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Share Registrar - New Zealand

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Auditor

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Independent Review Report

To the shareholders of Infratil Limited

Report on the condensed half year financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed half year financial statements on pages 1 to 9 do not:

- i. present fairly in all material respects the company's financial position as at 30 September 2020 and its financial performance and cash flows for the 6 month period ended on that date; and
- ii. comply with NZ IAS 34 Interim Financial Reporting.

We have completed a review of the accompanying condensed half year financial statements which comprise:

- the statement of financial position as at 30 September 2020;
- the statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for conclusion

A review of condensed half year financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of Infratil Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Other than in our capacity as auditor we have no relationship with, or interests in, the company.



Use of this Independent Review Report

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our review work, this report, or any of the opinions we have formed.



Responsibilities of the Directors for the condensed half year financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the condensed half year financial statements in accordance with NZ IAS 34 Interim Financial Reporting;



- implementing necessary internal control to enable the preparation of condensed half year financial statements that are fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the condensed half year financial statements

Our responsibility is to express a conclusion on the condensed half year financial statements based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed half year financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on these condensed half year financial statements.

This description forms part of our Independent auditor's Report.

KPMG
Wellington

11 November 2020