

26 March 2020

Manager
ASX Market Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Progress 2017-2 Trust (ASX: POT)

Special Purpose Financial Statements for Progress 2017-2 Trust

Attached are the special purpose financial statements for Progress 2017-2 Trust for the period ended 31 December 2019.

Gwenneth O'Shea
Head of Securitisation
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Progress 2017-2 Trust

ABN: 60 101 449 840

**Special Purpose Financial Report
for the year ended
31 December 2019**

Progress 2017-2 Trust

ABN: 60 101 449 840

Special Purpose Financial Report For the year ended 31 December 2019

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PROGRESS 2017-2 TRUST **Trustee's Report**

for the year ended 31 December 2019

The financial statements for the year ended 31 December 2019 have been prepared by the Trust Manager, Priority One Agency Services Pty Limited as required by the Trust Deed.

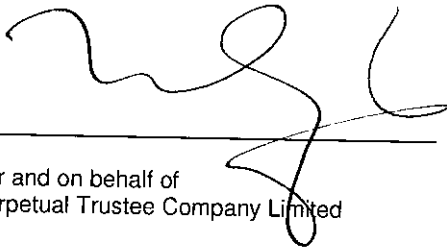
The Auditor of the Trust, Ernst & Young, who has been appointed by us in accordance with the Master Trust Deed, has conducted an audit of these financial statements.

A review of the operations of the Trust and the results of those operations for the year ended 31 December 2019 is contained in the Trust Manager's Report.

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

- (i) the activities of the Trust have 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, 23rd March 2020

PROGRESS 2017-2 TRUST

Trust Manager's Report

for the year ended 31 December 2019

The Trust Manager presents its report on the financial statements of the Progress 2017-2 Trust ("the Trust") for the year ended 31 December 2019.

Trust manager

The Trust Manager of the Trust throughout the year ended 31 December 2019 was Priority One Agency Services Pty Limited.

Principal activities

The principal activities of the Trust during the year were the holding of assets of the Trust and the distribution to the unitholders of the Trust.

Review of operations

The Trust was established under a Master Trust Deed dated 24 June 1997 (amended 24 November 2004) and the Trust Series Notice dated 12 December 2017.

Financial results and distributions

The net liabilities attributable to the unitholders as at 31 December 2019 were \$22,629k (for the thirteen months ended 2018: \$18,807k) following distributions to unitholders, as reported in the Statement of comprehensive income, of \$3,384k (for the thirteen months ended 2018: \$5,008k).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Trust during the year.

Environmental regulations

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

Events occurring after the reporting date

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

Likely developments

In the opinion of the Trust Manager, disclosure of further information about likely developments in the operations of the Trust is commercially sensitive and would likely be detrimental and result in unreasonable prejudice to the Trust.

Indemnification and insurance of Trust Manager and officers

Under its Constitution, the Trust Manager indemnifies, to the extent permitted by law, all current and former officers of the Trust Manager, (including the directors), against any liability (including the reasonable costs and expenses of defending proceedings for an actual or alleged liability) incurred in their capacity as an officer of the Trust Manager. This indemnity is not extended to current or former employees of the AMP group against liability incurred in their capacity as an employee unless approved by or on behalf of AMP Limited Board.

During, and since the end of the financial year ended 31 December 2019, AMP Limited (the Trust Manager's ultimate parent company) maintained, and paid the premium for, directors' and officers' and Company reimbursement insurance for the benefit of all of the officers of AMP group (including each director, secretary and senior manager of the Trust Manager) against certain liabilities (including legal costs) as permitted by the Corporations Act 2001. The insurance policy prohibits disclosure of the nature of the liabilities covered, the amount of the premium payable, the limit of liability.

PROGRESS 2017-2 TRUST

Trust Manager's Report (continued)

for the year ended 31 December 2019

Indemnification and insurance of Trust Manager and officers (continued)

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

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

Indemnification of auditors

To the extent permitted by law, the company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit, other than where the claim is determined to have resulted from breach or any negligent, wrongful or wilful act or omission by or of Ernst & Young. No payment has been made to indemnify Ernst & Young during or since the financial year ended 31 December 2019.

Rounding

The amounts in the accompanying financial report have been rounded off to the nearest thousand Australian dollars unless stated otherwise.



Gwenneth O'Shea
On behalf of the Trust Manager
Priority One Agency Services Pty Ltd (ABN 40 074 621 131)

Date: 23 March 2020

PROGRESS 2017-2 TRUST
Statement of comprehensive income

for the year ended 31 December 2019

		13 months ended	
	Note	31 Dec 2019	31 Dec 2018
		\$'000	\$'000
Interest income	3	29,539	42,470
Interest expense	3	(24,416)	(35,069)
Net interest income		5,123	7,401
Fee income		218	260
Net changes in fair value of financial instruments		(3,822)	(18,807)
Operating expenses	4	(1,957)	(2,653)
Net loss attributable to unitholders before finance costs		(438)	(13,799)
Finance costs - distribution to unitholders		(3,384)	(5,008)
Increase in net liabilities attributable to unitholders		3,822	18,807
Total comprehensive income attributable to unitholders		-	-

PROGRESS 2017-2 TRUST
Statement of financial position

as at 31 December 2019

	Note	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Assets			
Cash and cash equivalents	12(b)	22,944	7,256
Receivables from related parties		-	17,580
Loans to related parties	5	621,975	807,847
Other assets	6	31	40
Total assets		644,950	832,723
Liabilities			
Derivative financial liabilities		22,629	18,807
Debt securities on issue	7	639,761	829,670
Other liabilities	8	5,189	3,053
Total liabilities		667,579	851,530
Net liabilities attributable to unitholders		(22,629)	(18,807)

PROGRESS 2017-2 TRUST**Statement of changes in net liabilities attributable to unitholders**

for the year ended 31 December 2019

	31 Dec 2019	13 months ended 31 Dec 2018
	\$'000	\$'000
Balance at the beginning of the period	(18,807)	-
Increase in net liabilities attributable to unitholders	(3,822)	(18,807)
Balance at the end of the period	(22,629)	(18,807)

PROGRESS 2017-2 TRUST
Statement of cash flows

for the year ended 31 December 2019

		31 Dec 2019	13 months ended 31 Dec 2018
	Note	\$'000	\$'000
Cash flows used in operating activities			
Interest received		30,041	40,958
Interest paid		(25,149)	(33,609)
Fees received		218	260
Other operating expenses paid		(1,957)	(2,653)
Cash flows from operating activities before changes in operating assets and liabilities		3,153	4,956
Cash flows used in changes in operating assets and liabilities			
<i>Net funds received / (paid) with respect to:</i>			
Loans to related parties		185,370	(806,335)
Receivables from / (to) related parties		17,580	(17,580)
Payables to related parties		2,955	511
Other assets		9	(40)
Other payables		(11)	55
Net cash flows from / (used in) operating activities	12(a)	209,056	(818,433)
Cash flows from financing activities			
Net (redemptions) / proceeds from debt securities on issue		(189,176)	828,210
Distribution to unitholders		(4,192)	(2,521)
Net cash flows (used in) / from financing activities		(193,368)	825,689
Net increase in cash held		15,688	7,256
Cash and cash equivalents at the beginning of the year		7,256	-
Cash and cash equivalents at the end of the year	12(b)	22,944	7,256

PROGRESS 2017-2 TRUST

Notes to the financial statements

for the year ended 31 December 2019

1. Basis of preparation and summary of significant accounting policies

The principal accounting policies adopted in the preparation of the special purpose financial report are set out below. These policies have been consistently applied to the current year and the comparative year unless otherwise stated. Where necessary, comparative information has been reclassified to be consistent with current year disclosure. The financial report includes financial statements for the Progress 2017-2 Trust ("the Trust") as a single entity.

a) Basis of preparation

Progress 2017-2 Trust was constituted on 12 December 2017 and will terminate on 10 February 2049, in accordance with the provisions of the Master Trust Deed.

The Trust is not a reporting entity because, in the opinion of the Trust Manager (Priority One Agency Services Pty Limited), it is unlikely that there are any users of the financial report who are unable to command the preparation of reports that satisfy all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the Trust Manager's reporting requirements under the Master Trust Deed.

b) Summary of significant accounting policies

The Financial Report has been prepared in accordance with the recognition and measurement basis of accounting specified by all applicable Australian Accounting Standards and the disclosure requirements of the following Australian Accounting Standards:

- (a) AASB 101 '*Presentation of Financial Statements*'
- (b) AASB 107 '*Statement of Cash Flows*'
- (c) AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*'

The Financial Report has been rounded to the nearest thousand Australian Dollars unless stated otherwise.

The Financial Report has been prepared on a historical cost basis, except for derivative financial liabilities which are at fair value.

Changes in accounting policy

A number of new accounting standards and amendments have been adopted effective 1 January 2019. These have not had a material effect on the financial position or performance of the Trust.

New accounting standards and interpretations

AASB 16 Leases (AASB 16) became effective for periods beginning on 1 January 2019. AASB 16 requires lessees to recognise most leases on balance sheet as lease liabilities, with the corresponding right-of-use assets being recognised. Lessees have the option not to recognise 'short-term' leases. The adoption of AASB 16 does not have any material impact on the Trust's financial statements.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that is available on demand and money market deposits that are held at call with financial institutions. They are held for the purpose of meeting short-term cash commitments (rather than for investment or other purposes). Interest is taken to the Statement of comprehensive income using the effective interest rate method when earned.

d) Receivables from related parties

Receivables from related parties are recognised at amortised cost including interest receivable.

e) Loans to related parties

Loans to related parties are financial assets initially recognised at fair value including direct and 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. Loans with no stated interest rates, which are held at call, are recognised at their nominal amount.

f) Other assets

Other assets comprise sundry receivables and are accounted at amortised cost.

PROGRESS 2017-2 TRUST

Notes to the financial statements (continued)

for the year ended 31 December 2019

1. Basis of preparation and summary of significant accounting policies (continued)

g) Recognition and derecognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised at the date the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. A transfer occurs when substantially all the risks and returns of ownership the financial asset are passed to an unrelated third party. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

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 assets are reviewed each reporting date to determine whether there is objective evidence of impairment.

An impairment expense is recognised in the Statement of comprehensive income, being 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 less costs to sell and its value in use.

Impairment of financial assets

The Trust recognises expected credit losses (ECL) for financial assets measured at amortised together with loan commitments. ECLs are probability weighted estimates of credit losses and are measured as the present value of all cash shortfalls discounted at the effective interest rate of the financial instrument.

The Trust applies a three-stage approach to measure the expected credit loss as follows:

Stage 1 (12-month ECL)

The Trust manager collectively assesses and a provision at an amount equal to 12-month ECL is recognised in the trust when financial assets are current and/or have had a good performance history.

Stage 2 (Lifetime ECL - not credit impaired)

The Trust manager collectively assesses and a provision at an amount equal to lifetime ECL on financial assets is recognised in the trust where there has been a significant increase in credit risk since initial recognition but are not credit impaired.

Stage 3 (Lifetime ECL - credit impaired)

The Trust recognises a loss allowances at an amount equal to lifetime ECL on financial assets that are determined to be credit impaired based on objective evidence of impairment.

Financial assets are classified as impaired when payment is 90 days past due or when there is no longer reasonable assurance that principal or interest will be collected in their entirety on a timely basis.

i) 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 (GST)

All income, 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 relevant expense.

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

Cash flows are 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.

PROGRESS 2017-2 TRUST

Notes to the financial statements (continued)

for the year ended 31 December 2019

1. Basis of preparation and summary of significant accounting policies (continued)

j) Financial liabilities

Financial liabilities other than derivatives are initially recognised at fair value including 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 issues long term debt in the wholesale debt markets as part of its securitisation activities. Premiums, discounts and associated issue expenses are recognised using the effective interest method through the Statement of comprehensive income from the date of issue to ensure that securities attain their redemption values by maturity date.

Other liabilities

Other liabilities include payables to related parties, interest payable on derivatives, and other payables. These are measured at the nominal amount payable. Given the short term nature of most payables, the nominal amount approximates fair value.

k) Derivative financial assets and derivative financial liabilities

Fair value estimation

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.

l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the asset and liability simultaneously.

m) 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.

When financial assets become credit-impaired and are, therefore, regarded as “stage 3”, interest income is required to be calculated by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets are no longer credit-impaired, interest income is calculated on a gross basis.

The effective interest rate methodology (EIR) 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. 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.

n) Fee income

Fee income includes service fees from housing loans and are generally recognised as incurred.

o) Operating expenses

Operating expenses are accrued or paid as incurred.

p) Distribution to unitholders

In accordance with the Trust Deed, the Trust fully distributes its distributable income to unitholders each tax year. Such distributions are determined by reference to the realised profit of the Trust. Distributions are recognised in the Statement of comprehensive income as finance costs – distribution to unitholders.

Distributable income does not include unrealised gains and losses on the changes in fair value of financial instruments held at fair value.

PROGRESS 2017-2 TRUST

Notes to the financial statements (continued)

for the year ended 31 December 2019

1. Basis of preparation and summary of significant accounting policies (continued)

q) 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 net liabilities position in the trust represents the net unrealised negative fair value related to the interest rate swap contracts which is expected to reverse out to zero on the termination of the swaps.

The ability of the Trust to continue to pay its debts as and when they fall due is dependent upon the continuing generation of positive operating cash flows and profitable operations. The Trust Manager is of the opinion that the Trust is a going concern and can pay its debts as and when they fall due.

2. Significant accounting judgements, estimates and assumptions

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

a) Fair value of financial assets and financial liabilities

The Trust Manager measures certain financial assets and financial liabilities at fair value through the Statement of comprehensive income. Where available, quoted market prices for the same or similar instruments are used to determine fair value. Where there is no market price available for an instrument, a valuation technique is used. The Trust Manager applies judgement in selecting valuation techniques and setting valuation assumptions and inputs.

b) Provisions

Provisions for impairment

The accounting policy, as explained in Note 1 (h) relating to impairment of financial assets, requires the Trust Manager to assess impairment at least at each reporting date. The impairment provisions represent outputs of ECL model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

Key elements of the ECL models that are considered accounting judgements and estimates include the counterparty's probability of default and the Trust Manager's criteria for assessing if there has been a significant increase in credit risk.

The use of judgements and reasonable estimates is considered by the Trust Manager to be an essential part of the process for calculating impairment provisions.

PROGRESS 2017-2 TRUST

Notes to the financial statements (continued)

for the year ended 31 December 2019

3. Net interest income

	31 Dec 2019	13 months ended 31 Dec 2018
	\$'000	\$'000
Interest income		
Cash and cash equivalents	165	165
Receivables from related parties	73	373
Loans to related parties	29,301	41,932
Total interest income	29,539	42,470
Interest expense		
Derivatives	(6,449)	(6,265)
Debt securities on issue	(17,936)	(28,804)
Payables to related parties	(31)	-
Total interest expense	(24,416)	(35,069)
Net interest income	5,123	7,401

4. Operating expenses

	31 Dec 2019	13 months ended 31 Dec 2018
	\$'000	\$'000
Trust Manager fees	(218)	(304)
Service fees	(1,529)	(2,073)
Trustee fees	(126)	(174)
Other expenses	(84)	(102)
Total operating expenses	(1,957)	(2,653)

5. Loans to related parties

	31 Dec 2019	31 Dec 2018
	\$'000	\$'000
Housing loans	621,975	807,847
Total loans to related parties	621,975	807,847

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

Under the terms of the Master Trust Deed, AMP Bank Limited assigns housing loan assets to Warehouse Trusts. Subsequently, housing loan assets have been transferred from the Warehouse Trusts to the Progress 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 housing 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 2019 the loans have been recognised as housing 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 underlying housing loan assets.

As Progress 2017-2 Trust has been equitably assigned the housing loans, the Trust has entered into, in accordance with the Master Trust Deed, various facilities and arrangements relating to the housing loans including a redraw facility.

PROGRESS 2017-2 TRUST

Notes to the financial statements (continued)

for the year ended 31 December 2019

6. Other assets

	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Sundry receivables	31	40
Total other assets	31	40

7. Debt securities on issue

	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Term borrowings ⁽¹⁾	639,761	829,670
Total debt securities on issue	639,761	829,670

Footnote:

⁽¹⁾ Term borrowings consist of Class A, Class AB, Class B, Class C and Class D floating rate notes which pay interest at BBSW plus a specified margin. As security for the obligations to the note holders, the Trustee grants a charge over the assets of the Trust to the Security Trustee.

8. Other liabilities

	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Payables to related parties	5,145	2,998
Other payables	44	55
Total other liabilities	5,189	3,053

9. Units on issue

	2019 Number	2019 \$	2018 Number	2018 \$
Residual capital units	10	50	10	50
Residual income units	1	5	1	5
Total units on issue	11	55	11	55

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 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.

The residual income unit holder has vested interest and is entitled to net Trust income of \$100 under the Trust Deed.

10. Auditor's remuneration

The audit fee for the Trust is \$13k for the year ended 31 December 2019 (for the thirteen month ended 2018: \$13k).

PROGRESS 2017-2 TRUST

Notes to the financial statements (continued)

for the year ended 31 December 2019

11. Commitments

	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Commitments to provide credit facilities ⁽¹⁾	109,872	118,909
Total commitments	109,872	118,909

Footnote:

⁽¹⁾ Commitments to provide credit facilities include all obligations on the Trust to provide credit facilities. As facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash payments.

12. Notes to the statement of cash flows

	31 Dec 2019 \$'000	13 months ended 31 Dec 2018 \$'000
a) Reconciliation of net loss attributable to unitholders before finance costs to net cash flows from / (used in) operating activities		
Net loss attributable to unitholders before finance costs	(438)	(13,799)
Add / (deduct) non cash items in the statement of comprehensive income:		
Net changes in fair value of financial instruments	3,822	18,807
Decrease / (increase) in interest receivable	502	(1,512)
(Decrease) / increase in interest payable	(733)	1,460
Changes in operating assets and liabilities arising from cash flow movements	205,903	(823,389)
Net cash flows from / (used in) operating activities	209,056	(818,433)
b) Reconciliation of cash and cash equivalents		
Cash at bank and cash on deposits	22,944	7,256
Balance at the end of the year	22,944	7,256
c) Changes in liabilities arising from financing activities		
Balance at the beginning of the year	829,670	-
Net (redemptions) / proceeds from debt securities on issue	(189,176)	828,210
Other	(733)	1,460
Balance at the end of the year	639,761	829,670

13. Events occurring after the reporting date

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

PROGRESS 2017-2 TRUST
Trust Manager's Declaration
for the year ended 31 December 2019

As detailed in Note 1(a) to the financial statements, the Trust 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 the reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Trust Manager's reporting requirements under the Trust Deed.

In accordance with a resolution, the Trust Manager declares that:

- (a) in the opinion of the Trust Manager the financial statements presents fairly the financial performance and the cash flows for the year ended 31 December 2019, and the financial position of the Trust as at 31 December 2019;
- (b) in the opinion of the Trust Manager, the Trust has operated during the year ended 31 December 2019 in accordance with the provisions of the Master Trust Deed dated 24 June 1997 (amended 24 November 2004); and
- (c) in the opinion of the Trust Manager, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.



Gwenneth O'Shea
On behalf of the Trust Manager
Priority One Agency Services Pty Ltd (ABN 40 074 621 131)

Date: 23 March 2020

PROGRESS 2017-2 TRUST
Independent Auditor's Report
for the year ended 31 December 2019

Independent Auditor's Report to the Unitholders of Progress 2017-2 Trust

Opinion

We have audited the financial report, being a special purpose financial report, of Progress 2017-2 Trust (the Trust), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in net liabilities attributable to unitholders and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Trust Manager's declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements described in Note 1 of the financial statements.

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 Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Reliance

We draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial report is prepared to assist the Trust to meet the requirements of Master Trust Deed. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the unitholders of Progress 2017-2 Trust (collectively the 'Recipients') and should not be distributed to parties other than the Recipients. A party other than the Recipients accessing this report does so at their own risk and Ernst & Young expressly disclaims all liability to a party other than the Recipients for any costs, loss, damage, injury or other consequence which may arise directly or indirectly from their use of, or reliance on the report. Our opinion is not modified in respect of this matter.

Other Information

The Trust Manager is responsible for the other information. The other information is the Trust Manager's report accompanying the financial report.

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

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

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

Responsibilities of the Trust Manager for the Financial Report

The Trust Manager of the Trust are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the Master Trust Deed and is appropriate to meet the needs of the unitholders. The Trust Manager's responsibility also includes such internal control as the Trust Manager determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trust Manager is responsible for assessing the Trust'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 Trust Manager either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

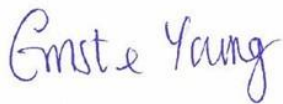
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Manager.

- Conclude on the appropriateness of the Trust Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Ernst & Young
Sydney
23 March 2020