

APOLLO Series 2008-2P Trust

ABN 71 505 281 869

APOLLO Series 2008-3 Trust

ABN 82 244 335 764

APOLLO Series 2009-1 Trust

ABN 98 204 042 532

APOLLO Series 2011-1 Trust

ABN 98 192 485 010

APOLLO Series 2012-1 Trust

ABN 30 412 471 826

APOLLO Series 2015-1 Trust

ABN 28 113 418 979

APOLLO Series 2017-1 Trust

ABN 71 132 269 374

Financial reports

for the financial period ended 30 June 2017

Contents	Page
Statements of comprehensive income	2
Statements of financial position.....	4
Statements of changes in equity	6
Statements of cash flows	7
Notes to the financial statements	9
1. Reporting entity.....	9
2. Basis of preparation	9
3. Secured loans	11
4. Payables	13
5. Interest-bearing liabilities.....	14
6. Units on issue	15
7. Reconciliation of cash flows from operating activities	16
8. Auditor's remuneration	17
9. Significant accounting policies	18
10. Subsequent events	20
Trustee's report.....	21
Manager's declaration.....	22
Independent auditor's report to the unitholders	23

APOLLO Series Trusts
2008-2P, 2008-3, 2009-1, 2011-1, 2012-1, 2015-1 and 2017-1
Statements of comprehensive income
for the financial period ended 30 June 2017

	2008-2P		2008-3		2009-1		2011-1	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Interest income on secured loan	1,622,171	2,469,918	1,252,833	2,145,235	7,243,574	11,013,139	12,699,238	18,072,512
Other income on secured loan	97,798	121,815	75,679	82,594	425,133	430,145	456,741	504,962
Total revenue	1,719,969	2,591,733	1,328,512	2,227,829	7,668,707	11,443,284	13,155,979	18,577,474
Expenses								
Interest expense on floating rate notes	1,490,945	2,106,342	982,333	1,727,507	5,497,978	8,762,561	10,769,406	15,528,392
Trustee and Manager fee	39,903	47,718	35,254	46,955	180,797	230,130	234,777	303,899
Other expenses	17,431	20,958	14,680	14,647	43,396	27,174	56,113	34,812
Total expenses	1,548,279	2,175,018	1,032,267	1,789,109	5,722,171	9,019,865	11,060,296	15,867,103
Profit before distribution expenses	171,690	416,715	296,245	438,720	1,946,536	2,423,420	2,095,683	2,710,371
Servicing fee	128,329	153,118	113,544	150,817	561,353	714,364	727,162	941,439
Residual income rights	43,361	263,597	182,701	287,903	1,385,183	1,709,056	1,368,521	1,768,932
Total distribution expenses	171,690	416,715	296,245	438,720	1,946,536	2,423,420	2,095,683	2,710,371
Profit before tax	-	-	-	-	-	-	-	-
Income tax expense	-	-	-	-	-	-	-	-
Profit for the financial year attributable to the unitholders of the Trusts	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year attributable to the unitholders of the Trusts	-	-	-	-	-	-	-	-

The statements of comprehensive income are to be read in conjunction with the accompanying notes.

APOLLO Series Trusts
2008-2P, 2008-3, 2009-1, 2011-1, 2012-1, 2015-1 and 2017-1
Statements of comprehensive income
for the financial period ended 30 June 2017

	2017	2016	2017	2016	2015-1	2017-1 1 March to 30 June 2017
	\$	\$	\$	\$		\$
Revenue						
Interest income on secured loan	13,090,222	18,695,680	27,563,633	39,202,314		12,525,799
Other income on secured loan	392,238	539,390	1,166,942	1,284,518		427,093
Total revenue	13,482,460	19,235,070	28,730,575	40,486,832		12,952,892
Expenses						
Interest expense on floating rate notes	11,185,083	16,176,094	21,356,910	31,509,035		10,596,421
Trustee and Manager fee	233,216	303,327	530,612	693,090		318,248
Other expenses	27,006	72,556	260,372	261,670		82,905
Total expenses	11,445,305	16,551,977	22,147,894	32,463,795		10,997,574
Profit before distribution expenses	2,037,155	2,683,092	6,582,681	8,023,037		1,955,318
Servicing fee	723,161	940,072	1,758,806	2,297,302		1,137,738
Residual income rights	1,313,994	1,743,021	4,823,875	5,725,735		817,580
Total distribution expenses	2,037,155	2,683,093	6,582,681	8,023,037		1,955,318
Profit before tax	-	-	-	-		-
Income tax expense	-	-	-	-		-
Profit for the financial year attributable to the unitholders of the Trusts	-	-	-	-		-
Total comprehensive income for the financial year attributable to the unitholders of the Trusts	-	-	-	-		-

The statements of comprehensive income are to be read in conjunction with the accompanying notes.

APOLLO Series Trusts
 2008-2P, 2008-3, 2009-1, 2011-1, 2012-1, 2015-1 and 2017-1
 Statements of financial position
 as at 30 June 2017

Note	2008-2P		2008-3		2009-1		2011-1	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Cash and cash equivalents	175	175	200	200	153	153	4,650,200	4,650,200
Secured loan income receivable	96,202	113,168	84,964	109,787	401,975	517,817	489,395	649,391
Related party receivable	551,152	365,750	1,318,696	1,486,863	4,614,675	8,117,938	7,166,679	11,232,713
GST receivable	2,725	3,283	2,647	3,220	11,806	14,917	15,039	19,776
Secured loans	51,524,658	62,710,339	49,409,374	60,634,388	221,200,573	279,321,365	281,036,983	367,102,907
Total assets	52,174,912	63,192,715	50,815,881	62,234,458	226,229,182	287,972,190	293,358,296	383,654,987
Liabilities								
Payables	144,209	118,356	38,110	37,003	140,043	166,673	153,802	164,491
Interest payable	35,698	64,085	45,223	81,781	330,997	542,682	588,536	828,389
Distribution payable	241,014	283,468	210,321	249,674	823,330	1,232,639	5,777,563	6,102,236
Interest-bearing liabilities	51,753,791	62,726,606	50,522,027	61,865,800	224,934,612	286,029,996	286,838,195	376,559,671
Total liabilities excluding outstanding units	52,174,712	63,192,515	50,815,681	62,234,258	226,228,982	287,971,990	293,358,096	383,654,787
Units on issue	200	200	200	200	200	200	200	200
Total liabilities	52,174,912	63,192,715	50,815,881	62,234,458	226,229,182	287,972,190	293,358,296	383,654,987
Net assets	-	-	-	-	-	-	-	-
Equity unitholders' funds								
	-	-	-	-	-	-	-	-

The statements of financial position are to be read in conjunction with the accompanying notes.

APOLLO Series Trusts
2008-2P, 2008-3, 2009-1, 2011-1, 2012-1, 2015-1 and 2017-1
Statements of financial position
as at 30 June 2017

	Note	2017	2012-1	2016	2017	2015-1	2016	2017-1
		\$		\$	\$		\$	\$
Assets								
Cash and cash equivalents		3,750,200	3,750,200	3,750,200	4,743,960	3,785,556	3,785,556	150,171
Secured loan income receivable		493,563	635,115	1,179,245	1,179,245	1,613,713	1,613,713	1,824,841
Related party receivable		5,063,504	6,740,099	17,238,324	17,238,324	21,550,971	21,550,971	26,521,167
GST receivable		15,346	19,794	36,552	36,552	47,679	47,679	61,653
Secured loans	3	283,531,874	361,723,066	678,261,756	678,261,756	887,386,932	887,386,932	1,135,894,155
Total assets		292,854,487	372,868,274	701,459,837	701,459,837	914,384,851	914,384,851	1,164,451,987
Liabilities								
Payables	4	183,937	125,019	750,521	750,521	264,243	264,243	212,528
Interest payable		484,327	624,296	916,455	916,455	1,213,795	1,213,795	1,649,523
Distribution payable		4,660,084	4,957,761	7,246,167	7,246,167	7,642,323	7,642,323	2,199,127
Interest-bearing liabilities	5	287,525,939	367,160,998	692,546,494	692,546,494	905,264,290	905,264,290	1,160,390,609
Total liabilities excluding outstanding units		292,854,287	372,868,074	701,459,637	701,459,637	914,384,651	914,384,651	1,164,451,787
Units on issue	6	200	200	200	200	200	200	200
Total liabilities		292,854,487	372,868,274	701,459,837	701,459,837	914,384,851	914,384,851	1,164,451,987
Net assets		-	-	-	-	-	-	-
Equity unitholders' funds								
		-	-	-	-	-	-	-

The statements of financial position are to be read in conjunction with the accompanying notes.

As the Trusts have no equity, the Trusts have not included any items of changes in equity for the current or comparative year.

APOLLO Series Trusts
2008-2P, 2008-3, 2009-1, 2011-1, 2012-1, 2015-1 and 2017-1
Statements of cash flows
for the financial period ended 30 June 2017

Note	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities										
Secured loan interest income receipts	2,666,261	3,345,640	2,579,624	3,247,361	11,576,520	15,348,203	14,625,515	19,825,085		
Cash advance under secured loan	-	-	-	-	-	-	-	-		
Other operating income received	95,640	123,049	81,766	83,338	423,369	445,216	467,200	508,421		
Cash paid for redraws on secured loan	(4,858,890)	(6,742,680)	(6,481,988)	(5,902,545)	(13,431,816)	(17,232,436)	(12,325,682)	(12,165,689)		
Repayment of secured loan	15,831,705	21,347,080	17,825,761	20,426,788	74,527,200	96,665,228	102,047,158	115,873,880		
Interest paid on floating rate notes	(2,226,210)	(2,945,760)	(2,153,329)	(2,795,526)	(9,644,550)	(12,898,406)	(12,462,241)	(17,040,998)		
Distribution paid	(480,257)	(452,684)	(453,121)	(471,887)	(2,154,759)	(2,611,131)	(2,371,100)	(2,919,968)		
Fees paid	(55,434)	(70,245)	(54,940)	(63,286)	(200,580)	(283,882)	(259,374)	(372,540)		
Net cash from (used in) operating activities	7	10,972,815	14,604,400	11,343,773	14,524,243	61,095,384	79,432,792	89,721,476	103,708,191	
Cash flows from financing activities										
Cash received on issue of floating rate notes	-	-	-	-	-	-	-	-		
Repayment of floating rate note principal	(10,972,815)	(14,604,400)	(11,343,773)	(14,524,243)	(61,095,384)	(79,432,792)	(89,721,476)	(103,708,191)		
Drawdown of liquidity Facility	-	-	-	-	-	-	-	-		
Units in series trust issued	-	-	-	-	-	-	-	-		
Net cash from (used in) financing activities		(10,972,815)	(14,604,400)	(11,343,773)	(14,524,243)	(61,095,384)	(79,432,792)	(89,721,476)	(103,708,191)	
Net increase in cash and cash equivalents		175	175	200	200	153	153	4,650,200	4,650,200	
Cash and cash equivalents at the beginning of the financial year		175	175	200	200	153	153	4,650,200	4,650,200	
Cash and cash equivalents at the end of the financial year		175	175	200	200	153	153	4,650,200	4,650,200	

The statements of cash flows are to be read in conjunction with the accompanying notes.

APOLLO Series Trusts
2008-2P, 2008-3, 2009-1, 2011-1, 2012-1, 2015-1 and 2017-1
Statements of cash flows
for the financial period ended 30 June 2017

	Note	2017	2012-1	2016	2017	2015-1	2017-1
		\$		\$	\$		\$
Cash flows from operating activities							
Secured loan interest income receipts		14,179,977	19,627,927	35,229,820	48,406,916	12,248,083	
Cash advance under secured loan		-	-	-	-	(1,250,000,000)	
Other operating income received		404,603	536,770	1,166,018	1,323,388	328,550	
Cash paid for redraws on secured loan		(20,277,429)	(23,358,272)	(28,159,990)	(27,975,019)	(6,473,395)	
Repayment of secured loan		99,912,488	143,777,090	240,877,786	296,404,899	96,082,786	
Interest paid on floating rate notes		(12,054,620)	(16,832,587)	(28,475,932)	(39,089,443)	(12,270,729)	
Distribution paid		(2,282,268)	(2,943,910)	(6,595,617)	(6,024,057)	(976,733)	
Fees paid		(247,692)	(388,200)	(365,885)	(981,448)	(202,966)	
Net cash from (used in) operating activities	7	79,635,059	120,418,818	213,676,200	272,065,236	(1,161,264,404)	
Cash flows from financing activities							
Cash received on issue of floating rate notes		-	-	-	-	1,250,000,000	
Repayment of floating rate note principal		(79,635,059)	(120,418,818)	(212,717,796)	(268,429,880)	(89,609,391)	
Drawdown of liquidity Facility		-	-	-	-	1,023,766	
Units in series trust issued		-	-	-	-	200	
Net cash from (used in) financing activities		(79,635,059)	(120,418,818)	(212,717,796)	(268,429,880)	1,161,414,575	
Net increase in cash and cash equivalents		-	-	958,404	3,635,356	150,171	
Cash and cash equivalents at the beginning of the financial year		3,750,200	3,750,200	3,785,556	150,200	-	
Cash and cash equivalents at the end of the financial year		3,750,200	3,750,200	4,743,960	3,785,556	150,171	

The statements of cash flows are to be read in conjunction with the accompanying notes.

1. Reporting entity

The APOLLO Series 2008-2P, APOLLO Series 2008-3, APOLLO Series 2009-1, APOLLO Series 2011-1, APOLLO Series 2012-1, APOLLO Series 2015-1 and APOLLO Series 2017-1 Trusts (the **Trusts**) are domiciled in Australia.

The Trusts were established with the purpose of carrying on a business to provide funds for the purchase of mortgage loans by equitable assignment.

The Trusts were established by the Master Trust Deed (the **Trust Deed**) between the Manager (SME Management Pty Limited) and the Trustee (Perpetual Trustee Company Limited) dated 28 January 1999 and the Trust Series Supplements between the Seller and Servicer (Suncorp-Metway Limited), the Manager and the Trustee.

In accordance with the Trust Deeds, the Trusts were constituted following the receipt of \$200, being the initial assets of the Trusts, on the following dates:

- APOLLO Series 2008-2P – 22 July 2008
- APOLLO Series 2008-3 – 26 August 2008
- APOLLO Series 2009-1 – 26 August 2009
- APOLLO Series 2011-1 – 14 November 2011
- APOLLO Series 2012-1 – 11 September 2012
- APOLLO Series 2015-1 – 20 February 2015
- APOLLO Series 2017-1 – 1 March 2017

The Trusts funded the purchase of the mortgage loans by equitable assignment through the issue of Australian dollar bonds. The bonds were issued as follows and represent debts of the Trusts.

- APOLLO Series 2008-2P – Class A & B
- APOLLO Series 2008-3 – Class A & B
- APOLLO Series 2009-1 Class A1, A2, A3 & B
- APOLLO Series 2011-1 Class A1, A2, AB & B
- APOLLO Series 2012-1 Class A1, A2, AB & B
- APOLLO Series 2015-1 Class A, AB, B1, B2 & B3
- APOLLO Series 2017-1 Class A, AB, B, C, D & E

The parent entity of the Trusts is Suncorp-Metway Limited (**SML**) and the ultimate parent entity is Suncorp Group Limited (**SGL**). The registered office of the Manager is at Level 28, 266 George Street, Brisbane QLD 4000.

The financial report was authorised for issue by the directors of SME Management Pty Limited on 10 August 2017.

2. Basis of preparation

The Trusts are for-profit entities and their financial statements have been prepared on the historical cost basis unless the application of fair value measurement is required by relevant accounting standards.

In the opinion of the Directors, the Trusts are not reporting entities. The financial statements of the Trusts have been prepared as special purpose financial statements for the sole purpose of fulfilling the requirements of the Trust Deed dated 28 January 1999.

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

Significant accounting policies applied in the preparation of the financial statements are set out in note 9. There have been no significant changes to accounting policies during the financial year. None of the new accounting standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Where necessary, comparatives have been restated to conform to changes in presentation in the current year.

2.1 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Where revisions are made to accounting estimates, any financial impact is recognised in the period in which the estimate is revised.

Significant estimates, judgments and assumptions are discussed in the following notes:

- impairment of secured loan (note 3)
- recognition of secured loan as a consequence of the sale of mortgage loans by SML not qualifying for de-recognition (note 9.6).

3.1 Impairment of mortgage loans

Impairment of a mortgage loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the mortgage loan agreement. The Trust uses the following method for calculating impairment:

(i) Specific impairment provisions

Impairment losses on individually assessed mortgage loans are determined on a case-by-case basis. If there is objective evidence that an individual mortgage loan is impaired then a specific provision for impairment is raised. The amount of the specific provision is based on the carrying amount of the mortgage loan, including the security held against the mortgage loan and the present value of expected future cash flows including amounts expected to be received from mortgage insurance. Any subsequent write-offs are then made against the specific provision for impairment.

A specific provision has not been recognised on the basis that all loans are mortgage insured.

(ii) Collective impairment provision

Where no evidence of impairment has been identified for mortgage loans, these mortgages loans are grouped together on the basis of similar credit characteristics for the purpose of calculating a collective impairment loss. Collective impairment provisions are based on historical loss experience adjusted for current observable data and mortgage insurance. The amount required to bring the collective provision for impairment to its required level is charged to the statement of comprehensive income.

A collective provision has not been recognised on the basis that all loans are mortgage insured.

4. Payables

	2008-2P		2008-3		2009-1		2011-1	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Unapplied funds	129,689	102,936	23,798	22,295	68,477	52,875	65,099	19,379
Manager fee	2,493	2,647	2,448	2,517	12,181	19,349	15,526	25,331
Servicer fee	9,970	10,586	9,792	10,068	48,723	77,396	62,103	101,323
Liquidity and redraw facility fee	63	69	114	109	364	694	436	771
Trustee fee	997	1,059	979	1,007	5,426	8,619	4,428	7,555
Custodian fee	997	1,059	979	1,007	4,872	7,740	6,210	10,132
Total payables	144,209	118,356	38,110	37,003	140,043	166,673	153,802	164,491
	2012-1		2015-1		2017-1			
	2017	2016	2017	2016	2017	2016		
	\$	\$	\$	\$	\$	\$		
Unapplied funds	116,951	10,514	567,710	27,469	190,546	190,546		
Manager fee	11,698	19,979	32,351	42,172	1,790	1,790		
Servicer fee	46,792	79,916	12,940	16,869	716	716		
Liquidity and redraw facility fee	343	579	863	930	1,299	1,299		
Trustee fee	3,474	6,039	129,402	168,687	7,161	7,161		
Custodian fee	4,679	7,992	7,255	8,116	11,016	11,016		
Total payables	183,937	125,019	750,521	264,243	212,528	212,528		

5. Interest-bearing liabilities

	2008-2P		2008-3		2009-1		2011-1	
	2017	2016	2017	2016	2017	2016	2017	2016
Floating rate notes	51,753,791	62,726,606	50,522,027	61,865,800	224,934,612	286,029,996	286,838,195	376,559,671
Total interest-bearing liabilities	51,753,791	62,726,606	50,522,027	61,865,800	224,934,612	286,029,996	286,838,195	376,559,671
	2012-1		2015-1		2017-1			
	2017	2016	2017	2016	2017	2016		
Floating rate notes	287,525,939	367,160,998	692,546,494	905,264,290	1,160,390,609	1,160,390,609		
Total interest-bearing liabilities	287,525,939	367,160,998	692,546,494	905,264,290	1,160,390,609	1,160,390,609		

6. Units on issue

	2008-2P		2008-3		2009-1		2011-1	
	No. of units	\$	No. of units	\$	No. of units	\$	No. of units	\$
Income unit	1	100	1	100	1	100	1	100
Capital units	2	100	2	100	10	100	10	100
Total units on issue	3	200	3	200	11	200	11	200

	2012-1		2015-1		2017-1	
	No. of units	\$	No. of units	\$	No. of units	\$
Income unit	1	100	1	100	1	100
Capital units	10	100	10	100	10	100
Total units on issue	11	200	11	200	11	200

The Income and the Capital Unitholder has no right to receive distribution in respect of the Trusts except:

- The Income Unitholder has only the right to receive payments of the Income Unit Amount in accordance with the respective Trust Series Supplements and only to the extent that funds are available for this purpose in accordance with the respective Trust Series Supplement. The Income Unit may be transferred at any time subject to the prior written consent of the Trustee and the Manager;
- The Class A Capital Unitholder has only the right to receive payments under relevant clause of the respective Trust Series Supplements and only to the extent that the funds are available for this purpose in accordance with the respective Trust Series Supplement up to a maximum amount in aggregate of \$1,000;
- The Class B Capital Unitholder has only the right to receive payments under the respective Trust Series Supplements and only to the extent that funds are available for this purpose in accordance with the respective Trust Series Supplement; and on the termination of the Trusts, the capital of the Series Trust remaining after the payment (or provision for payment) of all other outgoings and amounts by the Trustee pursuant to the respective Trust Series Supplement including, without limitation, payments or the provision of payment to the Class A Capital Unitholder in that capacity; and
- The Capital units are non-transferable.

APOLLO Series Trusts
 2008-2P, 2008-3, 2009-1, 2011-1, 2012-1, 2015-1 and 2017-1
 Notes to the financial statements
 for the financial period ended 30 June 2017

7. Reconciliation of cash flows from operating activities

	2008-2P		2008-3		2009-1		2011-1	
	2017	2016	2017	2016	2017	2016	2017	2016
Profit for the financial year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in assets and liabilities								
(Increase) decrease in secured loan principal	11,185,681	12,056,424	11,225,014	13,824,546	58,120,792	77,638,370	86,065,924	100,329,593
(Increase) decrease in receivables	(167,878)	2,614,982	193,563	803,809	3,622,216	2,376,737	4,230,767	4,077,788
Increase (decrease) in all payables	(44,988)	(67,006)	(74,804)	(104,112)	(647,624)	(582,315)	(575,215)	(699,190)
Net cash from operating activities	10,972,815	14,604,400	11,343,773	14,524,243	61,095,384	79,432,792	89,721,476	103,708,191

Profit for the financial year

	2012-1		2015-1		2017-1	
	2017	2016	2017	2016	2017	2016
Profit for the financial year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in assets and liabilities						
(Increase) decrease in secured loan principal	78,191,192	114,260,176	209,125,176	258,291,106	(1,135,894,155)	(1,135,894,155)
(Increase) decrease in receivables	1,822,595	6,792,872	4,758,242	11,733,585	(28,407,661)	(28,407,661)
Increase (decrease) in all payables	(378,728)	(634,230)	(207,218)	2,040,545	3,037,412	3,037,412
Net cash from operating activities	79,635,059	120,418,818	213,676,200	272,065,236	(1,161,264,404)	(1,161,264,404)

8. Auditor's remuneration

	2008-2P		2008-3		2009-1		2011-1	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
KPMG Australia								
Audit of the financial report	8,145	8,145	8,145	8,145	8,145	8,145	8,145	8,145
Other assurance services	9,717	13,728	9,717	13,728	9,717	13,728	9,717	13,728
Total auditor's remuneration	17,862	21,873	17,862	21,873	17,862	21,873	17,862	21,873

	2012-1		2015-1		2017-1	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
KPMG Australia						
Audit of the financial report	8,145	8,145	8,145	8,145	8,145	8,145
Other assurance services	9,717	13,728	9,717	13,728	9,717	9,717
Total auditor's remuneration	17,862	21,873	17,862	21,873	17,862	17,862

Fees for services rendered by the Trusts' auditor are borne by the income and capital unitholder, SML.

9. Significant accounting policies

The special purpose financial report has been prepared in accordance with the requirements of the Trust Deed, and the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASB) as issued by the Australian Accounting Standards Board.

The financial statements have been prepared in accordance with the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards*, AASB 1054 *Australian Additional Disclosures* and AASB 1057 *Application of Australian Accounting Standards*.

The financial statements do not comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board.

The accounting policies set out below have been applied consistently to all financial years presented in these financial statements.

9.1. Revenue and expense recognition

Interest revenue and expense are recognised in the profit or loss for all interest-bearing instruments measured at amortised cost using the effective interest method.

The effective interest method uses the effective interest rate to allocate interest income and expense over the relevant accounting period for the financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments and receipts through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset or liability.

This calculation includes all fees and basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other discounts or premiums.

Interest income on the secured loan (refer note 9.6) comprises of interest income from the mortgages purchased, fee income earned from the mortgages purchased and net interest income/expense not separately recognised under the interest rate swap (refer note 9.7).

9.2. Income tax

The Trusts are only liable to income tax to the extent that accumulated income is assessable. Under current legislation the Trusts are not subject to income tax as the taxable income, including assessable realised capital gains are distributed in full to the unitholder.

9.3. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or the amount of expense.

Receivables and payables are stated with the amount of GST included.

9.4. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on deposit and money at short call. They are measured at face value or the gross value of the outstanding balance.

9.5. Non-derivative financial assets

The Trusts classify their non-derivative financial assets as loans and receivables. Loans and receivable are financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised when it becomes a party to the contractual provisions of the instrument at fair value plus any directly attributable transaction costs. Loans and receivables are subsequently measured at each reporting date at amortised cost using the effective interest method.

The secured loans are an example of a non-derivative financial asset recognised by the Trusts. Refer to note 9.6 for further details on their accounting treatment.

9.6. Secured loans

Secured loans represent the Trusts' interest in the mortgages purchased from SML by equitable assignment. The sale of the mortgages from SML to the Trusts do not qualify for de-recognition in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* because the sale is deemed to have failed to transfer substantially all the risks and rewards of ownership. Consequently, SML continues to recognise the mortgages purchased and recognise a corresponding financial liability to the Trusts on its statement of financial position. In turn, the Trusts recognise a financial asset due from SML, being the secured loan, and a corresponding financial liability to SML.

The transfer of substantially all the risks and rewards of ownership is evaluated by comparing the entity's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. An entity has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability of the future net cash flows from the financial asset does not change significantly as a result of the transfer.

Under the sale agreement, the Trusts assume any variability of principal cash flows from the mortgage purchased, while the variability of the revenue cash flows, as a result of the interest rate swap agreement (refer note 9.7) and the ownership of the residual income unit (refer note 6), remains with SML.

As a result, after considering all reasonably possible variability in net cash flows, with greater weight being given to those outcomes that are more likely to occur, SML is deemed to have failed to transfer substantially all of the risk and rewards.

9.7. Derivative financial instruments

The Trusts have entered into interest rate swaps with SML. The purpose of these swaps is to align the basis of the revenue from the mortgages purchased under equitable assignment from SML (refer note 9.6) to the interest expense under the debt. The interest rate swaps convert the revenue receipts from the variable and fixed rate mortgages to a floating rate basis.

As a consequence of SML's sale of mortgages to the Trust not qualifying for derecognition (refer note 9.6), AASB 139 also denies the Trust from separately recognising derivatives that cause the failure for derecognition. Therefore, the Trusts have not separately recognised the interest rate swaps in the statements of financial position and no gains or losses have been recognised in profit or loss.

9.8. Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed each reporting date to determine whether there is any objective evidence of impairment. If impairment has occurred, the carrying amount of the asset is written down to its estimated recoverable amount.

9.9. Non-derivatives financial liabilities

Financial liabilities at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the issue of the financial liability. Subsequent measurement is at amortised cost using the effective interest method.

9.10. Units on issue

The units on issue by the Trusts satisfy the definition of a liability under AASB 132 *Financial Instruments: Presentation* and are accounted for as a financial liability at amortised cost.

9.11. New accounting standards and interpretations not yet adopted

AASB 9 *Financial Instruments* was issued and introduces changes in the classification and measurement of financial assets and financial liabilities, impairment of financial assets and new rules for hedge accounting. This standard becomes mandatory for the Trusts' 30 June 2019 financial statements. The potential effects on adoption of the standard are currently being assessed. It is available for early adoption but has not been applied by the Trusts in this financial report.

10. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Trustee of the Trusts, to affect significantly the operations of the Trusts, the results of those operations, or the state of affairs of the Trusts in future financial years except as described in the following paragraph:

During July 2017, the aggregate principal outstanding on the mortgage loans when expressed as a percentage of the aggregate principal outstanding on the Mortgage Loans at the Closing Date, was less than the Clean-Up percentage of 10% for APOLLO Series 2008-2P Trust. In accordance with Clause 15 of the Series Supplement, Suncorp-Metway Limited (the Seller) was entitled to repurchase the remaining balance of the mortgage loans from the Trust. The Clean-Up settlement price of \$52,088,404.33 was settled between Suncorp-Metway Limited and the Trust and any associated Swaps terminated. The settlement amount was passed on to note holders on the final distribution date, 17 July 2017 and was sufficient to ensure they received all of their remaining invested amount of notes and interest entitlements.

The financial statements for the financial year ended 30 June 2017 have been prepared by the Trust Manager, SME Management Pty Limited, as required by the Trust Deed.

The auditor of the Trusts, KPMG, who have been appointed by us in accordance with the Trust Deed, have conducted an audit of these financial statements.

A review of the operations of the Trusts and the results of these operations for the financial year ended 30 June 2017 is contained in the Manager's Declaration.

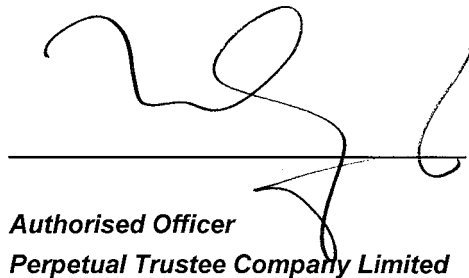
Based on our ongoing program of monitoring the Trusts, we believe that:

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

In making this statement, the Trustee has relied upon information, representations and warranties provided by the manager.

We are not aware of any material matter or significant changes in the state of affairs of the Trusts occurring up to the date of this report that require disclosure in the financial statements and the notes thereto that have not already been disclosed.

Signed for and on behalf of
Perpetual Trustee Company Limited



Authorised Officer
Perpetual Trustee Company Limited

Sydney

10 August 2017

Review of operations

Net profit from operating activities before distribution expenses for the financial period ended 30 June 2017 for APOLLO Series Trust:

• Apollo Series 2008-2P	\$171,690	(2016: \$416,715)
• Apollo Series 2008-3	\$296,245	(2016: \$438,720)
• Apollo Series 2009-1	\$1,946,536	(2016: \$2,423,419)
• Apollo Series 2011-1	\$2,095,683	(2016: \$2,710,371)
• Apollo Series 2012-1	\$2,037,155	(2016: \$2,683,093)
• Apollo Series 2015-1	\$6,582,681	(2016: \$8,023,037)
• Apollo Series 2017-1	\$1,955,318	(2016: \$nil)


There were no significant changes in the operations of the Trusts during the financial period.

Declaration

In the opinion of the Manager of APOLLO Series Trusts:

- (a) the financial statements and notes, set out on pages 2 to 20, present fairly, in all material respects, the financial position of the Trusts as of 30 June 2017 and their financial performance and their cash flows for the period then ended in accordance with the accounting policies described in note 9 to the financial statements;
- (b) the Trusts have operated during the financial year ended 30 June 2017 in accordance with the provisions of the Trust Deed dated 28 January 1999; and
- (c) there are reasonable grounds to believe that the Trusts will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Manager, SME Management Pty Limited



Director ALANA BAILEY
SME Management Pty Limited

Brisbane

10 August 2017

Independent Auditor's Report

To the Unitholders of the APOLLO Series 2008-2P Trust, APOLLO Series 2008-3 Trust, APOLLO Series 2009-1 Trust, APOLLO Series 2011-1 Trust, APOLLO Series 2012-1 Trust, APOLLO Series 2015-1 Trust and APOLLO Series 2017-1 Trust

Opinion

We have audited the **Financial Report** of the APOLLO Series 2008-2P Trust, APOLLO Series 2008-3 Trust, APOLLO Series 2009-1 Trust, APOLLO Series 2011-1 Trust, APOLLO Series 2012-1 Trust, APOLLO Series 2015-1 Trust and APOLLO 2017-1 Trust (the Trusts).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the APOLLO Series 2008-2P Trust, APOLLO Series 2008-3 Trust, APOLLO Series 2009-1 Trust, APOLLO Series 2011-1 Trust, APOLLO Series 2012-1 Trust, APOLLO Series 2015-1 Trust and APOLLO 2017-1 Trust as of 30 June 2017, and their financial performance and their cash flows for the year then ended in accordance with the accounting policies described in notes 2 and 9 to the Financial Report.

The **Financial Report** comprises:

- Statements of financial position as at 30 June 2017;
- Statements of comprehensive income, and Statements of cash flows for the year then ended; and
- Notes including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Trusts 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 fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to notes 2 and 9 to the Financial Report, which describe the basis of preparation. The Financial Report has been prepared to assist the directors of SME Management Pty Limited (the

Manager) in meeting the requirements of the Trust Deed dated 28 January 1999 and in meeting the needs of the Unitholders.

As a result, the Financial Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for Perpetual Trustee Company Limited (the Trustee of the Trust), the Directors of SME Management Pty Limited and Unitholders and should not be distributed to or used by parties other than Perpetual Trustee Company Limited, SME Management Pty Limited and Unitholders. 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 Perpetual Trustee Company Limited as Trustee of the Trust, SME Management Pty Limited and Unitholders or for any other purpose than that for which it was prepared.

Emphasis of matter – clean-up settlement of APOLLO Series 2008-2P Trust

We draw attention to note 10 to the Financial Report, which refers to the clean-up settlement of APOLLO Series 2008-2P Trust which was exercised subsequent to the financial year-end by Suncorp-Metway Limited on 17 July 2017 and resulted in the Trust being closed on that date. Our opinion is not modified in respect of this matter.

Other Information

Other Information is financial and non-financial information in the APOLLO Series 2008-2P Trust, APOLLO Series 2008-3 Trust, APOLLO Series 2009-1 Trust, APOLLO Series 2011-1 Trust, APOLLO Series 2012-1 Trust, APOLLO Series 2015-1 Trust and APOLLO 2017-1 Trusts' annual reporting, which is provided in addition to the Financial Report and the Auditor's Report. This includes the Trustee's Report and the Manager's declaration. The Trustee and the Manager are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Manager for the Financial Report

The Manager is responsible for:

- the preparation and fair presentation of the Financial Report and have determined that the basis of preparation described in notes 2 and 9 to the Financial Report is appropriate to meet the requirements of the Trust Deed dated 28 January 1999 and is appropriate to meet the needs of the unitholders;

- implementing necessary internal control to enable the preparation and fair presentation of a Financial Report that is free from material misstatement whether due to fraud or error; and
- assessing the Trust's 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 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 objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.


KPMG
Jillian Richards

Partner

Brisbane
10 August 2017