APOLLO SERIES 2013-1 TRUST

ABN 74 245 651 471

APOLLO SERIES 2015-1 TRUST

ABN 28 113 418 979

APOLLO SERIES 2017-2 TRUST

ABN 33 215 199 342

APOLLO SERIES 2018-1 TRUST

ABN 85 571 276 337

Financial Reports

for the financial year ended 30 June 2020

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STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2020

	2013-1		2015-1		2017-2		2018-1	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Revenue								
Interest income on secured loan	**6,583,620**	10,933,523	**11,366,554**	18,914,963	**24,086,231**	35,945,458	**22,842,164**	35,692,198
Other income on secured loan	**367,357**	331,228	**561,423**	580,978	**569,237**	626,440	**518,058**	618,052
Total revenue	**6,950,977**	11,264,751	**11,927,977**	19,495,941	**24,655,468**	36,571,898	**23,360,222**	36,310,250
Expenses								
Interest expense on floating rate notes	**(4,327,069)**	(8,262,384)	**(7,624,718)**	(14,655,064)	**(17,108,609)**	(33,147,689)	**(15,973,026)**	(31,740,353)
Trustee and Manager fee	**(160,034)**	(188,490)	**(282,270)**	(335,039)	**(602,175)**	(743,846)	**(574,395)**	(720,256)
Other expenses	**(42,651)**	(8,734)	**(46,415)**	(45,316)	**(55,688)**	(54,587)	**(49,870)**	(110,205)
Impairment loss on financial assets	**(32,184)**	(142,904)	**(121,028)**	(89,825)	**(309,549)**	(422,145)	**(163,407)**	(223,059)
Total expenses	**(4,561,938)**	(8,602,512)	**(8,074,431)**	(15,125,244)	**(18,076,021)**	(34,368,267)	**(16,760,698)**	(32,793,873)
Profit before distribution expenses	**2,389,039**	2,662,239	**3,853,546**	4,370,697	**6,579,447**	2,203,631	**6,599,524**	3,516,377
Servicing fee	**(526,561)**	(627,746)	**(927,898)**	(1,111,377)	**(1,974,097)**	(2,461,061)	**(1,882,867)**	(2,382,720)
Residual income rights	**(1,862,478)**	(2,034,493)	**(2,925,648)**	(3,259,320)	**(4,605,350)**	257,430	**(4,716,657)**	(1,133,657)
Total distribution expenses	**(2,389,039)**	(2,662,239)	**(3,853,546)**	(4,370,697)	**(6,579,447)**	(2,203,631)	**(6,599,524)**	(3,516,377)
Profit before tax	-	-	-	-	-	-	-	-
Income tax expense	-	-	-	-	-	-	-	-
Profit for the financial period attributable to the unitholders of the Trusts	-	-	-	-	-	-	-	-
Total comprehensive income for the period attributable to the unitholders of the Trusts	-	-	-	-	-	-	-	-

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2020

	Note	2013-1		2015-1		2017-2		2018-1	
		2020 $	2019 $	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Assets									
Cash and cash equivalents		**150,200**	150,200	**4,650,200**	4,650,200	**149,964**	149,964	**150,200**	150,200
Secured loan income receivable		**263,532**	406,600	**489,458**	738,700	**877,207**	1,436,366	**881,565**	1,419,255
Receivable from related party		**1,715,453**	2,566,079	**7,756,034**	9,825,015	**22,442,565**	19,037,365	**20,160,673**	20,786,109
GST receivable		**10,701**	13,209	**19,000**	23,607	**40,220**	51,752	**38,335**	49,941
Secured loans	3	**205,400,587**	252,820,341	**364,343,933**	444,961,014	**750,126,465**	970,868,784	**714,641,901**	929,418,431
Total assets		**207,540,473**	255,956,429	**377,258,625**	460,198,536	**773,636,421**	991,544,231	**735,872,674**	951,823,936
Liabilities									
Payables	4	**302,086**	115,437	**205,979**	328,090	**807,660**	1,428,092	**1,007,576**	685,966
Interest payable		**56,015**	117,990	**208,628**	561,510	**322,375**	1,106,761	**397,834**	1,153,310
Distribution payable		**486,597**	808,376	**5,814,077**	6,409,517	**1,613,212**	2,946,265	**1,981,492**	3,083,040
Interest-bearing liabilities	5	**206,695,575**	254,914,426	**371,029,741**	452,899,219	**770,892,974**	986,062,913	**732,485,572**	946,901,420
Total liabilities excluding outstanding units		**207,540,273**	255,956,229	**377,258,425**	460,198,336	**773,636,221**	991,544,031	**735,872,474**	951,823,736
Units on issue	6	**200**	200	**200**	200	**200**	200	**200**	200
Total liabilities		**207,540,473**	255,956,429	**377,258,625**	460,198,536	**773,636,421**	991,544,231	**735,872,674**	951,823,936
Net assets		-	-	-	-	-	-	-	-
Equity unitholders' funds		-	-	-	-	-	-	-	-

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2020

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

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2020

	Note	2013-1		2015-1		2017-2		2018-1	
		2020 $	2019 $	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Cash flows from operating activities									
Secured loan interest income receipts		**8,360,176**	11,599,339	**15,728,277**	21,611,906	**34,930,369**	49,466,465	**32,828,479**	45,945,798
Other operating income received		**366,967**	333,475	**580,097**	579,014	**569,723**	636,457	**532,106**	631,565
Cash paid for redraws on secured loan		**(13,591,603)**	(10,775,907)	**(19,556,236)**	(16,350,957)	**(36,550,730)**	(37,233,885)	**(18,191,590)**	(15,519,564)
Repayment of secured loan		**61,810,490**	66,131,860	**101,425,714**	115,794,225	**251,720,666**	302,875,377	**232,607,438**	285,602,640
Interest paid on floating rate notes		**(6,023,359)**	(8,790,178)	**(11,967,829)**	(17,072,112)	**(26,901,243)**	(39,353,704)	**(25,168,723)**	(37,320,127)
Distribution paid		**(2,500,349)**	(2,940,051)	**(4,008,354)**	(4,726,362)	**(7,931,979)**	(9,922,276)	**(7,558,740)**	(8,587,888)
Fees paid		**(203,471)**	(202,547)	**(332,191)**	(392,446)	**(666,867)**	(826,944)	**(633,122)**	(669,348)
Net cash from (used in) operating activities	7	**48,218,851**	55,355,991	**81,869,478**	99,443,268	**215,169,939**	265,641,490	**214,415,848**	270,083,076
Cash flows from financing activities									
Repayment of floating rate note principal		**(48,218,851)**	(55,355,991)	**(81,869,478)**	(99,443,268)	**(215,169,939)**	(265,641,490)	**(214,415,848)**	(270,083,076)
Net cash from (used in) financing activities		**(48,218,851)**	(55,355,991)	**(81,869,478)**	(99,443,268)	**(215,169,939)**	(265,641,490)	**(214,415,848)**	(270,083,076)
Net increase in cash and cash equivalents		**-**	-	**-**	-	**-**	-	**-**	-
Cash and cash equivalents at the beginning of the financial period		**150,200**	150,200	**4,650,200**	4,650,200	**149,964**	149,964	**150,200**	150,200
Cash and cash equivalents at the end of financial period		**150,200**	150,200	**4,650,200**	4,650,200	**149,964**	149,964	**150,200**	150,200

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

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

The APOLLO Series 2013-1, APOLLO Series 2015-1, APOLLO Series 2017-2, and APOLLO Series 2018-1 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 Deed, the Trusts were constituted following the receipt of $200, being the initial assets of the Trusts, on the following dates:

- APOLLO Series 2013-1 – 14 May 2013
- APOLLO Series 2015-1 – 20 February 2015
- APOLLO Series 2017-2 – 21 September 2017
- APOLLO Series 2018-1 – 23 April 2018

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 2013-1 – Class A, AB, B1 and B2
- APOLLO Series 2015-1 – Class A, AB, B1, B2 and B3
- APOLLO Series 2017-2 – Class A1, A2, AB, B, C, D and E
- APOLLO Series 2018-1 – Class A1, A2, AB, B, C, D and 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 28 August 2020.

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. Refer to note 9 for information on the significant accounting policies adopted in the preparation of these financial statements.

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).

COVID-19 impact on the use of estimates and assumptions

On 11 March 2020, the World Health Organization declared COVID-19 a global pandemic. While COVID-19 is a health crisis, it has caused socioeconomic disruption on a global scale. The Trusts have considered the impact of COVID-19 when preparing the financial statements and related note disclosures. While the effects of COVID-19 do not change the significant estimates, judgments and assumptions in the preparation of financial statements, it has resulted in increased estimation uncertainty and application of further judgment within those identified areas.

COVID-19, together with measures implemented to contain the virus, has had a profound impact on the Australian and global economy, driving heightened levels of market uncertainty and a significant deterioration, or expected deterioration, in macroeconomic conditions, notably unemployment, gross domestic product and property prices. This, in turn, has resulted in an impact on the provision for impairment on financial assets, as forecast macroeconomic conditions are a key factor in determining the expected credit loss (**ECL**) for the Trusts secured loan. Further details on the ECL model methodology, estimates and assumptions are outlined in note 3.1.

3. Secured loans

	2013-1		2015-1		2017-2		2018-1	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Residential mortgages	**205,575,675**	252,963,244	**364,554,786**	445,050,840	**750,858,159**	971,290,929	**715,028,366**	929,641,489
Provision for impairment	**(175,088)**	(142,903)	**(210,853)**	(89,826)	**(731,694)**	(422,145)	**(386,465)**	(223,058)
Total secured loans	**205,400,587**	252,820,341	**364,343,933**	444,961,014	**750,126,465**	970,868,784	**714,641,901**	929,418,431

The Trusts recognise a receivable due from SML, representing a secured loan (also refer note 9.6) rather than the underlying securitised mortgages. The secured loan is secured by an equitable interest in the mortgage loans held by SML.

The collateral against the mortgage loans held by SML is in the form of mortgage interests over Australian residential property. Estimates of the fair value are based on the value of collateral assessed at the time of origination, and generally are not updated except when a loan is individually assessed as impaired.

The potential for impairment of the secured loan reflects the potential impairment of the underlying mortgage loans managed by SML.

3.1 Impairment of mortgage loans

Expected credit losses (**ECL**) is recorded for all financial assets measured at amortised cost. ECL is calculated as the probability of default (**PD**) x loss given default (**LGD**) x exposure at default. The credit models are calibrated to reflect PD and LGD estimates based on historical observed experience, as well as reflecting the influence of unbiased forward-looking views of macroeconomic conditions, through macroeconomic variables that influence credit losses, for example forecasts for real-GDP, unemployment rates and changes in house prices.

The economic forecasts underpinning the PD and LGD estimates are reviewed on at least a 6-monthly basis, taking into account expert judgment, and are approved by the SML's Asset and Liability Committee. Management has included adjustments to the modelled provisions to capture emerging risks that have not yet been captured in the ECL model.

Financial assets that are subject to credit risk are assigned to one of three stages and could be reassigned based on changes in asset quality:

- Stage 1 are performing and/or newly originated assets. Provisions for secured loans in stage 1 are established to provide for ECL for a period of 12 months;
- Stage 2 assets have experienced a significant increase in credit risk (**SICR**) since origination. Provisions for secured loans in stage 2 are established to provide for ECL for the remaining term of the asset (**lifetime ECL**); and
- Stage 3 are impaired assets. Provisions for secured loans in stage 3 are established to provide for the lifetime ECL. A specific provision is calculated based on estimated future cash flows discounted to their present value.

Agency ratings reflect the quality of underlying securitised mortgages. A SICR event occurs if agency ratings deteriorate below the point where substantially all units issued are no longer considered to be investment grade.

As at 30 June 2020, given the nature of the secured loan being a fully collateralised receivable due from SML and relevant agency ratings concerning investment quality of the trusts, the entire ECL for each trust is classified as stage 1.

4. Payables

	2013-1		2015-1		2017-2		2018-1	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Unapplied funds	**272,628**	79,128	**111,916**	213,110	**607,047**	1,175,302	**822,019**	445,704
Manager fee	**5,295**	6,530	**16,773**	20,474	**34,849**	44,575	**33,112**	42,805
Servicer fee	**21,179**	26,120	**67,090**	81,894	**139,394**	178,302	**132,450**	171,221
Liquidity and redraw facility fee	**103**	118	**360**	482	**1,047**	1,032	**569**	785
Trustee fee	**763**	929	**3,131**	3,941	**11,384**	11,051	**6,181**	8,329
Custodian fee	**2,118**	2,612	**6,709**	8,189	**13,939**	17,830	**13,245**	17,122
Total payables	**302,086**	115,437	**205,979**	328,090	**807,660**	1,428,092	**1,007,576**	685,966

5. Interest-bearing liabilities

	2013-1		2015-1		2017-2		2018-1	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Floating rate notes	**206,695,575**	254,914,426	**371,029,741**	452,899,219	**770,892,974**	986,062,913	**732,485,572**	946,901,420
Total interest-bearing liabilities	**206,695,575**	254,914,426	**371,029,741**	452,899,219	**770,892,974**	986,062,913	**732,485,572**	946,901,420

6. Units on issue

	2013-1				2015-1				2017-2				2018-1			
	2020		2019		2020		2019		2020		2019		2020		2019	
	No. of units	$	No. of units	$	No. of units	$	No. of units	$	No. of units	$	No. of units	$	No. of units	$	No. of units	$
Units on issue																
Income unit	**1**	**100**	1	100	**1**	**100**	1	100	**1**	**100**	1	100	**1**	**100**	1	100
Capital units (A & B)	**10**	**100**	10	100	**10**	**100**	10	100	**10**	**100**	10	100	**10**	**100**	10	100
Total units on issue	**11**	**200**	11	200	**11**	**200**	11	200	**11**	**200**	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.

7. Reconciliation of cash flows from operating activities

	2013-1		2015-1		2017-2		2018-1	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Profit for the financial period	-	-	-	-	-	-	-	-
Non-cash items								
Impairment loss on financial assets	**32,184**	142,904	**121,028**	89,825	**309,549**	422,145	**163,407**	223,059
Change in assets and liabilities								
(Increase) decrease in secured loan principal	**47,387,570**	52,478,238	**80,496,053**	97,786,049	**220,432,770**	255,635,319	**214,613,123**	264,650,647
(Increase) decrease in receivables	**996,202**	2,680,700	**2,322,830**	2,583,326	**(2,834,509)**	10,814,800	**1,174,732**	5,948,947
(Increase) decrease in total payables	**(197,105)**	54,149	**(1,070,433)**	(1,015,932)	**(2,737,871)**	(1,230,774)	**(1,535,414)**	(739,577)
Net cash from operating activities	**48,218,851**	55,355,991	**81,869,478**	99,443,268	**215,169,939**	265,641,490	**214,415,848**	270,083,076

8. Auditor's remuneration

	2013-1		2015-1		2017-2		2018-1	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
KPMG Australia								
Audit of the financial report	**9,672**	8,145	**9,672**	8,145	**9,672**	8,145	**9,672**	8,145
Other assurance services	**16,156**	8,500	**16,156**	8,500	**16,156**	8,500	**16,156**	8,500
Total auditor's remuneration	**25,828**	16,645	**25,828**	16,645	**25,828**	16,645	**25,828**	16,645

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 and measurement aspects of all applicable Australian Accounting Standards (AASB) as issued by the Australian Accounting Standards Board. They do not comply with all the disclosure requirements of Australian Accounting Standards.

The financial statements have been prepared in accordance with 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 interest income from the mortgages purchased, any fee income earned from the mortgages purchased, and the 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

For assets where cash flows are solely payments of principal and interest and the business model is held-to-collect these cash flows, the classification is at amortised cost. This category includes loans and advances.

They are initially measured at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost less any impairment losses.

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 its 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 9 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 an interest rate swap with SML. The purpose of the swap is to align the basis of revenue from the mortgages purchased under equitable assignment from SML (refer note 9.6) to the interest expense under the debt. The interest rate swap converts 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 Trusts not qualifying for derecognition (refer note 9.6), AASB 9 also denies the Trust from separately recognising derivatives that cause the failure for derecognition. Therefore, the Trust has not separately recognised the interest rate swap in the statement 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-derivative 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 standards and amendments not yet effective

In March 2020, the AASB issued an amending standard AASB 2020-2 *Amendments to Australian Accounting Standards — Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities* that removes the ability to prepare special purpose financial statements and AASB 1060 *General Purpose Financial Statements — Simplified Disclosures for profit and Not-for- profit Tier 2 Entities* (AASB 1060) that replaces the reduced disclosure requirements framework. As a result, the Trusts would prepare general purpose financial statements — Tier 2, and apply the disclosures as set out in AASB 1060. As the Trusts already applies all the recognition and measurement requirements of all Australian Accounting Standards, there will be no impact on the amounts recognised in the financial statements. Both standards are effective for the financial year beginning 1 July 2021.

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. For the impact of COVID-19 on the Trusts estimates and judgments, please refer to note 2.1.

TRUSTEE'S REPORT

For the financial year ended 30 June 2020

The financial statements for the financial year ended 30 June 2020 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 2020 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

Rachel Carroll

Authorised Officer
Senior Client Services Manager
Perpetual Trustee Company Limited

Sydney

28 August 2020

MANAGER'S DECLARATION

For the financial year ended 30 June 2020

Review of operations

Net profit from operating activities before distribution expenses for the financial year ended 30 June 2020 for APOLLO Series Trusts was:

• APOLLO Series 2013-1	$2,389,039	(2019: $2,662,239)
• APOLLO Series 2015-1	$3,853,546	(2019: $4,370,697)
• APOLLO Series 2017-2	$6,579,447	(2019: $2,203,631)
• APOLLO Series 2018-1	$6,599,524	(2019: $3,516,377)

Declaration

In the opinion of the Manager of APOLLO Series Trusts:

(a) the financial statements and notes, set out on pages 2 to 14, present fairly, in all material respects, the financial position of the Trusts as of 30 June 2020 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 2020 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.

Erin Strang
Director
SME Management Pty Limited

Brisbane

28 August 2020

Independent Auditor's Report

To the Unitholders of the APOLLO Series 2013-1 Trust, APOLLO Series 2015-1 Trust, APOLLO Series 2017-2 Trust and APOLLO Series 2018-1 Trust

Opinion

We have audited the ***Financial Statements*** of the APOLLO Series 2013-1 Trust, APOLLO Series 2015-1 Trust, APOLLO Series 2017-2 Trust and APOLLO Series 2018-1 Trust (the Trusts).

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of APOLLO Series 2013-1 Trust, APOLLO Series 2015-1 Trust, APOLLO Series 2017-2 Trust and APOLLO Series 2018-1 Trust (the Trusts) as at 30 June 2020, and their financial performance and their cash flows for the year then ended in accordance with the basis of preparation described in notes 2 and 9 to the Financial Statements.

The ***Financial Statements*** comprise:

- Statements of financial position as at 30 June 2020;
- 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 audits 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 audits of the Financial Statements* 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 audits of the *Financial Statements* 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 Statements, which describe the basis of preparation.

The Financial Statements have 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 Statements 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 Trusts), 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 Statements to which it relates, to any person other than the Perpetual Trustee Company Limited as Trustee of the Trusts, SME Management Pty Limited and Unitholders or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in APOLLO Series 2013-1 Trust, APOLLO Series 2015-1 Trust, APOLLO Series 2017-2 Trust and APOLLO Series 2018-1 Trust 's Financial Report which is provided in addition to the Financial Statements 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 opinions on the Financial Statements does not cover the Other Information and, accordingly, we do not express any audit opinion or any forms of assurance conclusion thereon.

In connection with our audits of the Financial Statements, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audits, 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 Manager for the Financial Statements

The Manager is responsible for:

- the preparation and fair presentation of the Financial Statements and have determined that the basis of preparation described in notes 2 and 9 to the Financial Statements 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 Statements that is free from material misstatement whether due to fraud or error; and
- assessing the Trusts' ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. 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 audits of the Financial Statements

Our objective is:

- to obtain reasonable assurance about whether the Financial Statements as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinions.

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 the Financial Statements.

A further description of our responsibilities for the audits of the Financial Statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Ben Flaherty
Partner

Brisbane
28 August 2020