

APOLLO Series 2010-1 Trust

ABN 46 635 150 791

APOLLO Series 2013-1 Trust

ABN 74 245 651 471

Financial Report

for the financial year ended 30 June 2015

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APOLLO Series Trusts
2010-1 and 2013-1
Statements of comprehensive income
for the financial year ended 30 June 2015

	2010-1		2013-1	
	2015	2014	2015	2014
	\$	\$	\$	\$
Revenue				
Interest income on secured loan	12,691,575	17,760,405	33,950,823	47,207,663
Other income on secured loan	329,478	516,321	600,248	839,433
Total revenue	13,021,053	18,276,726	34,551,071	48,047,096
Expenses				
Interest expense on floating rate notes	11,272,240	15,737,171	26,792,105	36,294,222
Trustee and Manager fee	221,744	297,845	505,638	659,460
Other expenses	35,635	35,393	39,912	44,823
Total expenses	11,529,619	16,070,409	27,337,655	36,998,505
Profit before distribution expenses	1,491,434	2,206,317	7,213,416	11,048,591
Servicing fee	692,062	951,373	1,693,308	2,264,677
Residual income rights	799,372	1,254,944	5,520,108	8,783,914
Total distribution expenses	1,491,434	2,206,317	7,213,416	11,048,591
Profit before tax	-	-	-	-
Income tax expense	-	-	-	-
Profit for the financial year attributable to the unitholders of the Trusts	-	-	-	-
Total comprehensive income for the year attributable to unitholders of the Trusts	-	-	-	-

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

APOLLO Series Trusts
2010-1 and 2013-1
Statements of financial position
as at 30 June 2015

	Note	2010-1		2013-1	
		2015 \$	2014 \$	2015 \$	2014 \$
Assets					
Cash and cash equivalents		150,200	191,904	150,200	322,731
Secured loan income receivable		498,751	737,784	1,131,519	1,668,699
Receivable from related party		3,881,793	9,944,527	9,809,044	11,501,135
GST receivable		14,559	19,430	35,022	45,134
Secured loans	3	266,512,758	351,240,324	646,020,710	843,344,549
Total assets		271,058,061	362,133,969	657,146,495	856,882,248
Liabilities					
Payables	4	98,481	104,307	138,884	131,808
Interest payable		519,475	789,895	397,830	606,052
Distribution payable		1,052,540	1,536,410	2,320,962	3,462,467
Interest-bearing liabilities	5	269,387,365	359,703,157	654,288,619	852,681,721
Total liabilities (excluding units on issue)		271,057,861	362,133,769	657,146,295	856,882,048
Units on issue	6	200	200	200	200
Total liabilities		271,058,061	362,133,969	657,146,495	856,882,248
Net assets		-	-	-	-
Equity unitholders' funds		-	-	-	-

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

APOLLO Series Trusts
2010-1 and 2013-1
Statements of changes in equity
for the financial year ended 30 June 2015

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
2010-1 and 2013-1
Statements of cash flows
for the financial year ended 30 June 2015

	Note	2010-1		2013-1	
		2015 \$	2014 \$	2015 \$	2014 \$
Cash flows from operating activities					
Secured loan interest income receipts		15,833,992	22,405,093	37,041,195	48,568,298
Other operating income received		336,738	517,708	609,873	822,931
Cash paid for redraws on secured loan		(12,588,774)	(21,661,225)	(23,925,625)	(35,767,200)
Repayment of secured loan		102,904,567	139,645,335	222,318,727	307,659,426
Interest paid on floating rate notes		(14,103,453)	(20,081,709)	(29,395,732)	(40,567,070)
Distribution paid		(1,842,295)	(2,418,886)	(7,866,537)	(7,750,252)
Fees paid		(266,687)	(380,502)	(561,330)	(890,375)
Net cash from operating activities	7	90,274,088	118,025,814	198,220,571	272,075,758
Cash flows used in financing activities					
Repayment of floating rate note principal		(90,315,792)	(117,984,110)	(198,393,102)	(271,892,227)
Net cash used in from financing activities		(90,315,792)	(117,984,110)	(198,393,102)	(271,892,227)
Net (decrease) increase in cash and cash equivalents		(41,704)	41,704	(172,531)	183,531
Cash and cash equivalents at the beginning of the financial year		191,904	150,200	322,731	139,200
Cash and cash equivalents at the end of financial year		150,200	191,904	150,200	322,731

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 2010-1 and APOLLO Series 2013-1 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 (SME Management Pty Limited) and the Trustee (Perpetual Trustees Company Limited).

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 2010-1 – 2 June 2010
- APOLLO Series 2013-1 – 14 May 2013

The Trusts funded the purchase of the mortgage loans by equitable assignment through the issue of Australian dollar bonds. The bonds were issued as Class A, AB and B Notes, which represent the debts of the Trusts.

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 13 August 2015.

2. Basis of preparation

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

In the opinion of the Directors, the Trusts are not a reporting entity. 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.

Amounts expected to be recovered or settled no more than twelve months after the reporting period, are classified as 'current'. Amounts expected to be recovered or settled more than twelve months after the reporting period, are classified as 'non-current'.

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 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

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

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).

Notes to the financial statements

3. Secured loans

	2010-1		2013-1	
	2015	2014	2015	2014
	\$	\$	\$	\$
Residential mortgages	266,512,758	351,240,324	646,020,710	843,344,549
Total secured loans	266,512,758	351,240,324	646,020,710	843,344,549

The secured loans (also refer note 9.6) are 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. Given the credit quality of the mortgage loans including the current level of collateral held against the mortgage loans, no loans are deemed impaired for the Trusts as at balance date. No allowance for impairment is currently deemed necessary for the Trusts (2014: \$nil). Interest on all loans continues to be taken to income, including those which are past due but not impaired.

4. Payables

	2010-1		2013-1	
	2015	2014	2015	2014
	\$	\$	\$	\$
Unapplied funds	34,031	18,969	45,707	10,788
Manager fee	10,960	14,635	16,761	21,843
Servicer fee	43,840	58,537	67,042	87,370
Liquidity and redraw facility fee	384	458	286	372
Trustee fee	4,882	5,854	2,384	2,698
Custodian fee	4,384	5,854	6,704	8,737
Total payables	98,481	104,307	138,884	131,808

5. Interest bearing liabilities

	2010-1		2013-1	
	2015	2014	2015	2014
	\$	\$	\$	\$
Floating rate notes	269,387,365	359,703,157	654,288,619	852,681,721
Total interest-bearing liabilities	269,387,365	359,703,157	654,288,619	852,681,721

Notes to the financial statements

6. Units on issue

	2010-1				2013-1			
	2015		2014		2015		2014	
	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
Capital units (A & B)	10	100	10	100	10	100	10	100
Total units on issue	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

	2010-1		2013-1	
	2015	2014	2015	2014
	\$	\$	\$	\$
Profit for the financial year	-	-	-	-
Change in assets and liabilities				
Decrease in secured loan principal	84,727,566	115,814,706	197,323,839	269,963,980
Decrease in receivables	6,306,638	3,099,691	2,239,383	3,401,673
Decrease in total payables	(760,116)	(888,583)	(1,342,651)	(1,289,895)
Net cash from operating activities	90,274,088	118,025,814	198,220,571	272,075,758

8. Auditor's remuneration

	2010-1		2013-1	
	2015	2014	2015	2014
	\$	\$	\$	\$
KPMG Australia				
Audit of the financial report	7,390	7,209	7,390	7,209
Other assurance services	13,279	11,746	13,279	11,746
Total auditor's remuneration	20,669	18,955	20,669	18,955

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

Notes to the financial statements

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 AASB 101 *Presentation of Financial Statements*, AASB 107 *Cash Flow Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation and Application of Standards* and AASB 1054 *Australian Additional Disclosures*.

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

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 its accounting treatment.

Notes to the financial statements

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 their 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 under the Intercompany Loan Agreement.

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 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 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-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 trustees 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.

APOLLO Series Trusts
2010-1 and 2013-1
Trustee's Report
for the financial year ended 30 June 2015

The financial statements for the financial year ended 30 June 2015 have been prepared by the Trust Manager, SME Management Pty Limited, as required by the Trust Deed.

The auditors 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 2015 is contained in the Manager's Declaration.

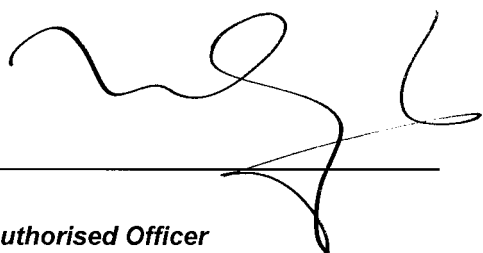
Based on our ongoing program of monitoring the Trusts, we believe that:

- (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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Authorised Officer
Perpetual Trustee Company Limited

Sydney

13 August 2015

APOLLO Series Trusts
2010-1 and 2013-1
Manager's declaration
for the financial year ended 30 June 2015

Review of operations

Net profit from operating activities before distribution expenses for the financial year ended 30 June 2015 for APOLLO Series Trusts:

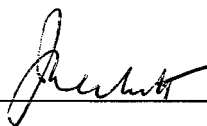
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|------------------------|-------------|----------------------|
| • APOLLO Series 2010-1 | \$1,491,434 | (2014: \$2,206,317) |
| • APOLLO Series 2013-1 | \$7,213,416 | (2014: \$11,048,591) |

Declaration

In the opinion of the Manager of APOLLO Series Trusts:

- (a) the financial statements and notes, set out on pages 2 to 10 are drawn up so as to present fairly the financial position of the Trusts as at 30 June 2015 and their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date in accordance with the basis of preparation described in note 2 and the significant accounting policies described in note 9;
- (b) the Trusts have operated during the financial year ended 30 June 2015 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 Patrick John Nesbitt
SME Management Pty Limited

Brisbane

13 August 2015



Independent audit report to Unitholders of the APOLLO Series 2010-1 Trust and APOLLO Series 2013-1 Trust

We have audited the accompanying financial report, being a special purpose financial report, of the APOLLO Series 2010-1 Trust and APOLLO Series 2013-1 Trust (the Trusts), which comprises the statements of financial position as at 30 June 2015, and the statements of comprehensive income and statements of cash flows for the year ended on that date, notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial report

The directors of SME Management Pty Limited (the Manager) are responsible for the preparation and fair presentation of the special purpose financial report and have determined that the basis of preparation described in note 2 and the significant accounting policies described in note 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. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

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

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of preparation described in note 2 and the significant accounting policies described in note 9 to the financial statements and the provisions of the Trust Deed dated 28 January 1999 so as to present a view which is consistent with our understanding of the Trusts' financial position, and their performance and their cash flows.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.



Auditor's opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of APOLLO Series 2010-1 Trust and APOLLO Series 2013-1 Trust as of 30 June 2015 and their financial performance and their cash flows for the year then ended in accordance with the accounting policies described in note 9 to the financial statements.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to notes 2 and 9 to the financial statements, which describe the basis of preparation and significant accounting policies respectively. The financial report has been prepared to assist the Manager to meet the requirements of the Trust Deed dated 28 January 1999. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Perpetual Trustee Company Limited, 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 directors of Perpetual Trustee Company Limited, SME Management Pty Limited and Unitholders or for any other purpose than that for which it was prepared.

KPMG

Jillian Richards

Partner
Brisbane

13 August 2015