

# 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 2017

<b>Contents</b>	<b>Page</b>
Statements of comprehensive income .....	2
Statements of financial positions .....	3
Statements of changes in equity .....	4
Statements of cash flows.....	5
Notes to the financial statements .....	6
1. Reporting entity .....	6
2. Basis of preparation.....	6
3. Secured loans.....	7
4. Payables.....	7
5. Interest bearing liabilities.....	8
6. Units on issue .....	8
7. Reconciliation of cash flows from operating activities .....	8
8. Auditor's remuneration .....	9
9. Significant accounting policies .....	9
10. Subsequent events.....	11
Trustee's report.....	12
Manager's declaration .....	13
Independent auditor's report to the unitholders.....	14

	2010-1		2013-1	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Revenue</b>				
Interest income on secured loan	6,224,930	8,905,944	15,921,288	23,180,892
Other income on secured loan	266,217	333,283	509,102	635,793
<b>Total revenue</b>	<b>6,491,147</b>	<b>9,239,227</b>	<b>16,430,390</b>	<b>23,816,685</b>
<b>Expenses</b>				
Interest expense on floating rate notes	5,261,642	7,644,685	11,742,083	17,651,361
Trustee and Manager fee	135,587	173,310	289,886	381,471
Other expenses	13,600	31,075	34,472	39,899
<b>Total expenses</b>	<b>5,410,829</b>	<b>7,849,070</b>	<b>12,066,441</b>	<b>18,072,731</b>
<b>Profit before distribution expenses</b>	<b>1,080,318</b>	<b>1,390,157</b>	<b>4,363,949</b>	<b>5,743,954</b>
Servicing fee	420,863	537,716	964,811	1,269,186
Residual income rights	659,455	852,441	3,399,138	4,474,768
<b>Total distribution expenses</b>	<b>1,080,318</b>	<b>1,390,157</b>	<b>4,363,949</b>	<b>5,743,954</b>
<b>Profit before tax</b>	-	-	-	-
Income tax expense				
<b>Profit for the financial year attributable to the unitholders of the Trusts</b>	-	-	-	-
<b>Total comprehensive income for the year attributable to unitholders of the Trusts</b>	-	-	-	-

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

	Note	2010-1		2013-1	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Assets</b>					
Cash and cash equivalents		150,231	150,200	150,200	150,200
Secured loan income receivable		300,136	385,799	635,009	822,004
Receivable from related party		2,713,609	5,825,870	4,698,830	6,224,536
GST receivable		8,980	11,462	21,817	25,863
Secured loans	3	165,080,681	208,780,095	379,694,421	482,818,339
<b>Total assets</b>		<b>168,253,637</b>	<b>215,153,426</b>	<b>385,200,277</b>	<b>490,040,942</b>
<b>Liabilities</b>					
Payables	4	63,861	114,430	153,079	175,400
Interest payable		280,062	388,402	141,715	275,789
Distribution payable		728,242	872,551	1,442,380	1,721,834
Interest-bearing liabilities	5	167,181,272	213,777,843	383,462,903	487,867,719
<b>Total liabilities (excluding units on issue)</b>		<b>168,253,437</b>	<b>215,153,226</b>	<b>385,200,077</b>	<b>490,040,742</b>
Units on issue	6	200	200	200	200
<b>Total liabilities</b>		<b>168,253,637</b>	<b>215,153,426</b>	<b>385,200,277</b>	<b>490,040,942</b>
<b>Net assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity unitholders' funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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.

	Note	2010-1		2013-1	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Secured loan interest income receipts		8,481,399	11,311,511	18,103,388	25,199,088
Other operating income received		272,232	331,981	511,178	640,308
Cash paid for redraws on secured loan		(7,722,982)	(13,743,925)	(19,138,483)	(22,607,628)
Repayment of secured loan		54,319,553	69,353,447	123,543,299	189,028,527
Interest paid on floating rate notes		(7,428,284)	(9,968,250)	(13,832,626)	(19,459,458)
Distribution paid		(1,182,906)	(1,464,298)	(4,448,583)	(5,946,799)
Fees paid		(142,410)	(210,944)	(333,357)	(433,138)
<b>Net cash from operating activities</b>	7	46,596,602	55,609,522	104,404,816	166,420,900
<b>Cash flows from financing activities</b>					
Repayment of floating rate note principal		(46,596,571)	(55,609,522)	(104,404,816)	(166,420,900)
<b>Net cash (used in) from financing activities</b>		(46,596,571)	(55,609,522)	(104,404,816)	(166,420,900)
<b>Net increase in cash and cash equivalents</b>		31	-	-	-
Cash and cash equivalents at the beginning of the financial year		150,200	150,200	150,200	150,200
<b>Cash and cash equivalents at the end of financial year</b>		150,231	150,200	150,200	150,200

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

## 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 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 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 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.

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.

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).

### 3. Secured loans

	2010-1		2013-1	
	2017	2016	2017	2016
	\$	\$	\$	\$
Residential mortgages	165,080,681	208,780,095	379,694,421	482,818,339
<b>Total secured loans</b>	<b>165,080,681</b>	<b>208,780,095</b>	<b>379,694,421</b>	<b>482,818,339</b>

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 reporting date. No allowance for impairment is currently deemed necessary for the Trusts (2016: \$nil). Interest on all loans continues to be taken to income, including those which are past due but not impaired.

#### 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

	2010-1		2013-1	
	2017	2016	2017	2016
	\$	\$	\$	\$
Unapplied funds	21,296	54,960	94,618	93,634
Manager fee	7,241	10,116	10,492	14,709
Servicer fee	28,964	40,466	41,967	58,837
Liquidity and redraw facility fee	238	335	194	244
Trustee fee	3,226	4,506	1,611	2,092
Custodian fee	2,896	4,047	4,197	5,884
<b>Total payables</b>	<b>63,861</b>	<b>114,430</b>	<b>153,079</b>	<b>175,400</b>

## 5. Interest bearing liabilities

	2010-1		2013-1	
	2017	2016	2017	2016
	\$	\$	\$	\$
Floating rate notes	167,181,272	213,777,843	383,462,903	487,867,719
<b>Total interest-bearing liabilities</b>	<b>167,181,272</b>	<b>213,777,843</b>	<b>383,462,903</b>	<b>487,867,719</b>

## 6. Units on issue

	2010-1				2013-1			
	2017		2016		2017		2016	
	No. of units	\$	No. of units	\$	No. of units	\$	No. of units	\$
<b>Units on issue</b>								
Income unit	1	100	1	100	1	100	1	100
Capital units (A & B)	10	100	10	100	10	100	10	100
<b>Total units on issue</b>	<b>11</b>	<b>200</b>	<b>11</b>	<b>200</b>	<b>11</b>	<b>200</b>	<b>11</b>	<b>200</b>

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
- The Capital units are non-transferable.

## 7. Reconciliation of cash flows from operating activities

	2010-1		2013-1	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Profit for the financial year</b>	-	-	-	-
<b>Change in assets and liabilities</b>				
Decrease in secured loan principal	43,699,414	57,732,663	103,123,918	163,202,371
(Increase) decrease in receivables	3,200,406	(1,828,028)	1,716,747	3,903,182
Decrease in total payables	(303,218)	(295,113)	(435,849)	(684,653)
<b>Net cash from operating activities</b>	<b>46,596,602</b>	<b>55,609,522</b>	<b>104,404,816</b>	<b>166,420,900</b>



## 8. Auditor's remuneration

	2010-1		2013-1	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>KPMG Australia</b>				
Audit of the financial report	8,145	8,145	8,145	8,145
Other assurance services	9,717	13,728	9,717	13,728
<b>Total auditor's remuneration</b>	<b>17,862</b>	<b>21,873</b>	<b>17,862</b>	<b>21,873</b>

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 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.

### 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 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.

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.

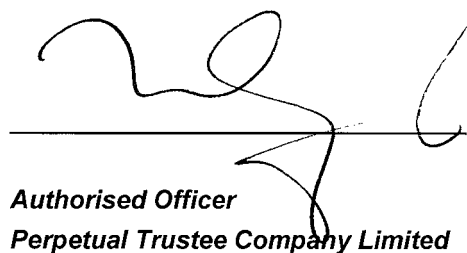
Based on our ongoing program of monitoring the Trusts, we believe that:

- (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 year ended 30 June 2017 for APOLLO Series Trusts:

• APOLLO Series 2010-1	\$1,080,318	(2016: \$1,390,157)
• APOLLO Series 2013-1	\$4,363,949	(2016: \$5,743,954)

## Declaration

In the opinion of the Manager of APOLLO Series Trusts:

- (a) the financial statements and notes, set out on pages 2 to 11, 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

  
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**Director** ALANA BAILEY  
**SME Management Pty Limited**

Brisbane

10 August 2017

# Independent Auditor's Report

To the Unitholders of the APOLLO Series 2010-1 Trust and APOLLO Series 2013-1 Trust

## Opinion

We have audited the **Financial Report** of the APOLLO Series 2010-1 Trust and APOLLO Series 2013-1 Trust (the Trusts).

In our opinion, the accompanying 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 2017, and of its financial performance and 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 Trust in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have 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.

## Other Information

Other Information is financial and non-financial information in APOLLO Series 2010-1 Trust and APOLLO Series 2013-1 Trust's 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.

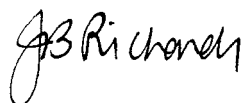
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

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](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