

# **Medallion Trust Series 2014-1P**

ABN 33 610 354 154

## **Special Purpose Annual Financial Report** for the year ended 30 June 2017

**Commonwealth**Bank 

## Contents

	Page
Manager's Report	1
Statement of Comprehensive Income	3
Balance Sheet	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Manager's Statement	17
Trustee's Report	18
Independent Auditor's Report	19

The Directors of Securitisation Advisory Services Pty Limited ("the Manager") submit their report together with the Special Purpose Financial Statements ("the Financial Statements") of Medallion Trust Series 2014-1P ("the Trust"), for the financial year ended 30 June 2017.

#### **Trust manager**

The Manager of the Trust for the reporting year was Securitisation Advisory Services Pty Limited.

#### **Principal activities**

The Trust was established under the Commonwealth Bank of Australia ("the Bank") Medallion Trust Programme, which enables the securitisation of the Bank's own assets. The principal activities of the Trust during the financial year were the holding of loan receivables from the Bank and the issue of medium term notes ("MTNs") to fund these assets.

There was no significant change in the nature of these activities during the financial year.

#### **Review of operations**

The Trust recorded a profit for the financial year of \$nil (2016: \$nil).

#### **Distribution**

Distribution paid and payable to the income unitholder, the Bank, in accordance with the Trust Deed, was \$nil for the financial year ended 30 June 2017 (2016: \$nil).

#### **Significant changes in the state of affairs**

There have been no significant changes in the state of affairs during the financial year.

#### **Likely developments and expected results of operations**

Information as to likely developments in the operations of the Trust and the expected results of those operations in subsequent financial years have not been included in this report because, in the opinion of the Directors, it would prejudice the interests of the Trust.

#### **Environmental regulation**

The Trust's operations are not subject to any particular or significant environmental regulations under Australian Commonwealth, State or Territory law.

#### **Interests in units of the Trust**

As at the date of this report, no Director has any interests in the units of the Trust.

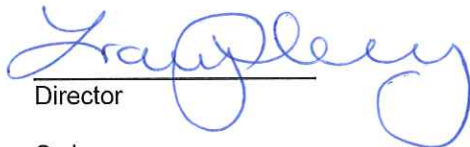
#### **Events subsequent to the balance sheet date**

The Manager is not aware of any matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations, the results of those operations or the state of affairs of the Trust in subsequent years.

**Rounding of amounts**

The amounts contained in this report and in the Financial Statements have been rounded to the nearest thousand dollars (where rounding is applicable).

Signed for and on behalf of Securitisation Advisory Services Pty Limited as Manager of the Medallion Trust Series 2014-1P.



Director

Sydney  
18 October 2017

**Medallion Trust Series 2014-1P**  
**Statement of Comprehensive Income**  
For the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Revenue from continuing operations	2	7,985	11,634
Finance costs	3	(7,618)	(11,097)
Expenses	4	(367)	(537)
<b>Profit before income tax</b>		-	-
Income tax expense		-	-
<b>Profit for the year</b>		-	-
<b>Other comprehensive income, net of tax</b>		-	-
<b>Total comprehensive income attributable to unitholders of the Trust</b>		-	-

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

**Medallion Trust Series 2014-1P**  
**Balance Sheet**  
As at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>Assets</b>			
Cash and cash equivalents	12(a)	156	158
Loans and other receivables	6	233,908	299,973
Other assets	7	6,032	9,129
<b>Total assets</b>		<u>240,096</u>	<u>309,260</u>
<b>Liabilities</b>			
Trade and other payables	8	1,476	1,919
Interest bearing liabilities	9	238,620	307,341
<b>Total liabilities</b>		<u>240,096</u>	<u>309,260</u>
<b>Net assets attributable to the unitholders of the Trust</b>		<u>-</u>	<u>-</u>
<b>Trust capital</b>			
Trust corpus*	11	-	-
Retained earnings		-	-
<b>Total trust capital attributable to the unitholders of the Trust</b>		<u>-</u>	<u>-</u>

\* Trust corpus of \$200 has been rounded to \$nil.

*The above Balance Sheet should be read in conjunction with the accompanying notes.*

**Medallion Trust Series 2014-1P**  
**Statement of Changes in Equity**  
For the year ended 30 June 2017

	Trust* corpus \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 1 July 2015</b>	-	-	-
Profit for the year	-	-	-
<b>Total comprehensive income attributable to the unitholders of the Trust</b>	-	-	-
<b>Balance at 30 June 2016</b>	-	-	-
<b>Balance at 1 July 2016</b>	-	-	-
Profit for the year	-	-	-
<b>Total comprehensive income attributable to the unitholders of the Trust</b>	-	-	-
<b>Balance at 30 June 2017</b>	-	-	-

\* Trust corpus of \$200 has been rounded to \$nil.

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

**Medallion Trust Series 2014-1P**  
**Statement of Cash Flows**  
For the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
Interest received from ultimate parent entity		7,972	12,376
Fee income received		52	79
Finance costs paid to ultimate parent entity		(7,669)	(11,471)
Liquidity facility fees paid to ultimate parent entity		(36)	(46)
Manager fees paid to related party		(79)	(96)
Trustee fees paid		(15)	(21)
Arranger fees paid to related party		(170)	(790)
Other expenses paid		(78)	(90)
<b>Net cash outflow from operating activities</b>	12(c)	<u>(23)</u>	<u>(59)</u>
<b>Cash flows from investing activities</b>			
Receipts on loans to ultimate parent entity		68,742	98,148
<b>Net cash inflow from investing activities</b>		<u>68,742</u>	<u>98,148</u>
<b>Cash flows from financing activities</b>			
Repayment of notes issued		(68,721)	(98,088)
<b>Net cash outflow from financing activities</b>		<u>(68,721)</u>	<u>(98,088)</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		158	157
<b>Cash and cash equivalents at the end of the financial year</b>	12(a)	<u>156</u>	<u>158</u>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*



## **1 Summary of significant accounting policies**

### **(a) General information**

The Special Purpose Financial Statements ("the Financial Statements") of Medallion Trust Series 2014-1P ("the Trust") for the financial year ended 30 June 2017 were approved and authorised for issue by the Board of Directors of Securitisation Advisory Services Pty Limited ("the Manager") on 18 October 2017. The Directors of the Manager have the power to amend and reissue the Financial Statements.

The Trust was constituted on 24 April 2014 and established under the Master Trust Deed dated 8 October 1997 and a Series Supplement dated 24 April 2014 for the purpose of purchasing loans from the Commonwealth Bank of Australia ("the Bank") and issuing medium term notes ("MTNs") to fund such purchase.

The issue of notes to noteholders and beneficial interest to the income unitholder occurred on 2 May 2014.

The Trust will terminate on its Termination Date unless terminated earlier in accordance with the provisions of the Master Trust Deed and the Series Supplement. The Termination Date means the earliest of the following dates to occur:

- (i) the date which is 80 years after the date of the constitution of the Trust;
- (ii) the date on which the Trust terminates by operation of statute or by application of the general principles of law;
- (iii) the date upon which the Trust terminates in accordance with the Master Trust Deed or the Series Supplement.

The Trust is domiciled in Australia. The address of its principal office is Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia.

The ultimate parent entity of the Manager and the Trust is the Commonwealth Bank of Australia ACN 123 123 124.

The principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The Financial Statements cover the Trust as an individual entity.

### **(b) Basis of preparation**

In the Manager's opinion, the Trust is not a reporting entity because there are no users dependent on general purpose financial statements.

The Financial Statements have been prepared for the sole purpose of complying with the Trust Deed requirements to prepare and distribute a financial report to the Trustee and must not be used for any other purpose. The Financial Statements contain disclosures that are mandatory under the Australian Accounting Standards and the Manager has determined that the accounting policies adopted are appropriate to meet the needs of the Trustee. The Trust is a for-profit entity for the purpose of preparing the Financial Statements.

The amounts contained in the Financial Statements have been rounded to the nearest thousand dollars (where rounding is applicable).

## **1 Summary of significant accounting policies (continued)**

### **(b) Basis of preparation (continued)**

The functional and presentation currency of the Trust has been determined to be Australian Dollars (AUD) as this currency best reflects the economic substance of the underlying events and circumstances relevant to the Trust.

The Financial Statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are discussed further in Note 1 (o).

### **(c) Future accounting developments**

AASB 9 *Financial Instruments* introduces an 'expected credit loss' model, revised classification and measurement requirements and modified hedge accounting rules. AASB 9 is not mandatorily effective until 1 July 2018 and the Trust does not intend to early adopt the standard.

#### *Impairment*

AASB 9 expected credit loss model replaces the existing incurred loss model requirement to recognise impairment when there is objective evidence of default. It requires entities to recognise expected credit losses based on unbiased forward looking information. The key changes under AASB 9 are as follows:

AASB 9 requires more timely recognition of expected credit losses using a three stage approach. For financial assets where there has been no significant increase in credit risk since origination, a provision equivalent to 12 months expected credit losses is recognised. For financial assets where there has been a significant increase in credit risk or where the asset is credit impaired, a provision equivalent to full lifetime expected loss is required.

Expected credit losses are probability weighted amounts determined by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions.

#### *Classification and measurement*

AASB 9 replaces the classification and measurement requirements in AASB 139 with the approach that classifies financial assets based on a business model for managing financial assets and whether the contractual cash flows represent solely payments of principal and interest. Financial assets can be classified as financial assets at amortised cost, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income "OCI". Non-traded equity instruments can be measured at fair value through OCI.



## **1 Summary of significant accounting policies (continued)**

### **(c) Future accounting developments (continued)**

#### *Hedging*

AASB 9 will change hedge accounting by introducing more principal based approach to hedge effectiveness testing and by increasing eligibility of both hedge instruments and hedged items. Adoption of the new hedge accounting model is optional and current hedge accounting under AASB 139 can continue to apply until the IASB completes its accounting for dynamic risk management project. The Trust will apply the new hedge accounting requirements from 1 July 2018.

A Group-wide program has been in progress to implement AASB 9 requirements. It is not practical to disclose a financial impact until the implementation program is further advanced and reliable estimates of the impact are available.

AASB 15 *Revenue from Contracts with Customers* introduces a single model for the recognition of revenue based on when control of goods and services transfers to a customer. It does not apply to financial instruments. AASB 15 is not mandatory until 1 July 2018 for the Trust.

AASB 16 *Leases* amends the accounting for leases. Lessees will be required to bring all leases on Balance Sheet as the distinction between operating and finance leases has been eliminated. Lessor accounting remains largely unchanged. AASB 16 is not mandatory until 1 July 2019 for the Trust.

AASB 17 *Insurance Contracts* introduces three new measurement approaches for accounting for insurance contracts. These include the Building Block Approach for long term contracts; the Premium Allocation Approach for short term contracts and a Variable Fee Approach for direct participating contracts. In addition, the level of contract aggregation is likely to be lower than under current practices. AASB 17 is not mandatory until 1 July 2021 for the Trust.

The potential financial impacts of the above to the Trust have not yet been determined. The Trust does not intend to early adopt these standards.

Other amendments to existing standards that are not yet effective are not expected to result in significant changes to the Trust's accounting policies.

### **(d) Offsetting**

Income and expenses are only offset in the Statement of Comprehensive Income if permitted under the relevant accounting standard. Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet if, and only if, there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **(e) Revenue and expense recognition**

Revenue is recognised and measured at the fair value of consideration received or receivable.

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Trust, and specific criteria have been met for each of the Trust's activities as described below.

## **1 Summary of significant accounting policies (continued)**

### **(e) Revenue and expense recognition (continued)**

#### *(i) Interest income*

Interest income is recognised on an accrual basis using the effective interest method and includes fees integral to the establishment of financial instruments. Fee income and direct costs relating to loan origination are deferred and amortised to interest earned on loans and other receivables over the life of the loan using the effective interest method.

#### *(ii) Fee income*

Fee income is recognised on an accrual basis.

#### *(iii) Finance costs*

Finance costs relating to the MTNs and related borrowings are recognised on an accrual basis using the effective interest method.

#### *(iv) Other expenses*

Other expenses are recognised on an accrual basis.

### **(f) Income tax**

Under current income tax legislation, the Trust is not liable for income tax provided its taxable income is fully distributed to the income unitholder.

### **(g) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of any amount of GST recoverable from, or payable to, the taxation authority.

### **(h) Cash and cash equivalents**

Cash and cash equivalents presented in the Financial Statements comprise cash at bank and money at short call with an original maturity of three months or less. They are measured at the face value or the gross value of the outstanding balance. Cash at bank earns interest at a floating rate based on daily deposit rates.



## **1 Summary of significant accounting policies (continued)**

### **(h) Cash and cash equivalents (continued)**

#### *Extraordinary Expense Reserve*

Extraordinary Expense Reserve was provided to meet possible shortfalls in the payment of interest on the notes other than the Class B notes and senior expenses in the event where all available facilities have been exhausted. This is an interest bearing account and interest will be recognised in the Statement of Comprehensive Income. The Extraordinary Expense Reserve is \$150K (2016: \$150K).

### **(i) Financial assets and liabilities**

The Trust classifies its financial assets and liabilities in the following categories:

- Loans and other receivables
- Liabilities at amortised cost - interest bearing liabilities
- Derivative assets/liabilities

#### *(i) Loans and other receivables*

Loans and other receivables are financial assets with fixed and determinable payments that are not quoted in an active market. They include loans to the ultimate parent entity. Loans and other receivables are initially recognised at fair value including direct and incremental costs and are subsequently measured at amortised cost using the effective interest method.

Under Australian Accounting Standards, securitised loans originated by the Bank and held by the Trust, are not permitted to be derecognised from the books of the Bank. Accordingly, transactions and balances have been classified as intra-group assets, liabilities, revenues and expenses. This applies to transactions which have taken place with either the Bank or entities within the Commonwealth Bank of Australia Group ("the Group").

Securitised mortgage loans are classified as amounts due from the ultimate parent entity.

#### *(ii) Interest bearing liabilities*

Interest bearing liabilities comprise of Australian dollar denominated medium term notes issued by the Trust. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

#### *(iii) Derivative financial instruments*

The Trust holds derivative financial instruments that comprise of interest rate swaps to manage exposures to interest rate risk.

Derivative financial instruments, other than the refinancing feature described below, are used to hedge certain assets and liabilities.

Under Australian Accounting Standards, the securitised mortgage loans held by the Trust are not permitted to be derecognised from the financial statements of the originator. Derecognition is not permitted because the Bank provides interest rate swaps to the Trust and as a result retains exposure to substantially all the risks and rewards of the securitised loans. Under AASB 139 *Financial Instruments: Recognition and Measurement*, the Bank and the Trust should therefore not separately recognise the interest rate swaps in its entity-level Financial Statements.

Interest rate swaps and associated payments/receipts are therefore treated as imputed loans and intra-group interest.

## **1 Summary of significant accounting policies (continued)**

### **(i) Financial assets and liabilities (continued)**

#### *Refinancing feature*

The Trust has issued the following classes of notes: A1, B and C. In accordance with the Series Supplement, the Class A1 Notes contain a feature that allows the Manager, only once, to refinance the notes as follows:

- (i) refinance the Class A1 Notes on the refinancing date; or
- (ii) refinance the Class A1 Notes on any distribution date thereafter, which will result in the issue of Class A1-R Notes, with the following possible outcomes:
  - the Manager may be successful either in placing the Class A1-R Notes at a margin less than the Class A1 Stepped-Up Margin or in selling the mortgage loans, upon which existing Class A1 Note investors will be fully repaid via proceeds from Class A1-R Note issuance or the sale of mortgage loans; or
  - the Manager may be unsuccessful either in placing the Class A1-R Notes at a margin less than the Class A1 Stepped-Up Margin or in selling the mortgage loans, upon which the Class A1 Stepped-Up Margin (Class A1 Margin + 0.25%) will apply.

The Trust has elected for the refinancing feature to be accounted for as a loan commitment, which is out of the scope of AASB 139 *Financial Instruments: Recognition and Measurement*. As a result, the feature is not separated from the Class A1 Notes and accordingly is not required to be accounted for separately.

#### *Derecognition of financial assets and liabilities*

The derecognition of a financial asset takes place when the Trust no longer controls the contractual rights that comprise the financial asset, which is normally the case when it is sold, or all the cash flows attributable to the asset are passed through to an independent third party and the risks and rewards have substantially been transferred.

The derecognition of a financial liability takes place when, and only when, it is extinguished, which is when the obligation specified in the contract is discharged, cancelled or expires.

### **(j) Other assets**

Other assets include collections of principal, interest and fees receivable from the ultimate parent entity, prepaid expenses and other unrealised income receivable. These assets are recorded at the cash value to be realised when settled.

### **(k) Trade and other payables**

Trade and other payables are recognised on an accrual basis and represent liabilities for goods and services provided to the Trust prior to the end of the financial year and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services.



## **1 Summary of significant accounting policies (continued)**

### **(l) Provisions**

A provision is recognised in the Balance Sheet when the Trust has a present obligation (legal, equitable or constructive) as a result of a past event, and where it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured.

### **(m) Excess servicing fee payable to the income unitholder**

Excess servicing fee payable to the income unitholder is accrued on a monthly basis as the excess income after all expenses have been accrued, except for unrealised gains or losses arising from fair value of financial instruments.

Excess servicing fee income represents the residual income of the Trust payable to the sole income unitholder, the Bank. Such income is offset with the interest income received on loans to the ultimate parent entity in the Financial Statements.

In accordance with the Trust Deed, the Trust distributes its distributable (taxable) income, and any other amounts determined by the Manager, to the income unitholder, the Bank.

### **(n) Trust capital**

Trust corpus - the beneficial interest in the Trust is divided into two units: one capital unit and one income unit. The income unit is a separate class of unit to the capital unit.

#### *Capital unit*

The capital unitholder in the Trust is the Bank.

The beneficial interest in the Trust represented by the capital unit is in each asset of the Trust (other than the beneficial interests in the asset represented by the income unit).

#### *Income unit*

The income unitholder in the Trust is the Bank. The beneficial interest represented by the income unit is limited to due but unpaid excess distribution.

### **(o) Critical judgements and estimates**

The application of the Trust's accounting policies requires the use of judgement, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events, which are considered to be relevant, and are reviewed on an ongoing basis. Actual results may differ from these estimates, which could impact the Trust's net assets and profit. No transactions or balances were subject to critical estimates or judgements during the year.

**Medallion Trust Series 2014-1P**  
**Notes to the Financial Statements**  
30 June 2017  
(continued)

**2 Revenue from continuing operations**

	2017	2016
	\$'000	\$'000
Interest income - ultimate parent entity	7,933	11,557
Fee income	52	77
<b>Total revenue from continuing operations</b>	<b>7,985</b>	<b>11,634</b>

**3 Finance costs**

	2017	2016
	\$'000	\$'000
Interest expense on notes	7,618	11,097
<b>Total finance costs</b>	<b>7,618</b>	<b>11,097</b>

**4 Expenses**

	2017	2016
	\$'000	\$'000
Manager fees - related party	76	98
Arranger fees - related party	163	284
Liquidity facility fees - ultimate parent entity	36	46
Trustee fees	15	20
Other expenses	77	89
<b>Total expenses</b>	<b>367</b>	<b>537</b>

**5 Remuneration of auditor**

	2017	2016
	\$	\$
Audit fees	19,023	18,668

**6 Loans and other receivables**

	2017	2016
	\$'000	\$'000
Loans to ultimate parent entity	233,908	299,973
<b>Total loans and other receivables</b>	<b>233,908</b>	<b>299,973</b>



**Medallion Trust Series 2014-1P**  
**Notes to the Financial Statements**  
30 June 2017  
(continued)

**7 Other assets**

	2017	2016
	\$'000	\$'000
Interest receivable - ultimate parent entity	1	-
Interest receivable on loans to ultimate parent entity	415	535
Prepaid expenses	15	17
Collections of principal, interest and fees receivable from ultimate parent entity	5,601	8,577
<b>Total other assets</b>	<b>6,032</b>	<b>9,129</b>

**8 Trade and other payables**

	2017	2016
	\$'000	\$'000
Interest payable - medium term notes	103	154
Excess servicing fees payable - ultimate parent entity	1,349	1,728
Manager fees payable - related party	1	4
Arranger fees payable - related party	15	22
Liquidity facility fees payable - ultimate parent entity	1	1
Other payables	7	10
<b>Total trade and other payables</b>	<b>1,476</b>	<b>1,919</b>

**9 Interest bearing liabilities**

	2017	2016
	\$'000	\$'000
Medium term notes	238,620	307,341
<b>Total interest bearing liabilities</b>	<b>238,620</b>	<b>307,341</b>

**10 Distribution**

Distribution paid and payable to the income unitholder, the Bank, for the financial year was \$nil (2016: \$nil).

**11 Trust corpus**

Trust corpus as at 30 June 2017 was \$200 (2016: \$200), which is rounded to \$nil.

## 12 Notes to the Statement of Cash Flows

### (a) Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and money at short call.

	2017	2016
	\$'000	\$'000
Cash at bank	156	158
<b>Cash and cash equivalents at the end of the financial year</b>	<b>156</b>	<b>158</b>

### (b) Financing facilities

The Trust has access to financing facilities from the Bank. An agreement exists between the entities for the advance to be on an 'at call' basis and for as long as it may be required. A liquidity facility is provided by the Bank for the purpose of funding certain income shortfalls in the Trust up to the facility limit of \$9.5 million (2016: \$12.5 million). The amount drawn under this facility at period end was \$nil (2016: \$nil).

### (c) Reconciliation of profit for the year to net cash outflow from operating activities

	2017	2016
	\$'000	\$'000
Profit/(loss) for the year	-	-
Change in operating assets and liabilities:		
Decrease in other assets	420	583
Decrease in interest payable	(51)	(374)
Decrease in other payables	(392)	(268)
<b>Net cash outflow from operating activities</b>	<b>(23)</b>	<b>(59)</b>

## 13 Contingent liabilities, contingent assets and commitments

There were no outstanding contingent liabilities, contingent assets or commitments as at 30 June 2017 (2016: \$nil).

## 14 Events subsequent to the balance sheet date

The Manager is not aware of any matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial years.

**Medallion Trust Series 2014-1P**  
**Manager's Statement**  
30 June 2017

In the opinion of the Manager:

- (a) the Financial Statements and Notes thereto comply with applicable Accounting Standards to the extent described in Note 1 and the Master Trust Deed dated 8 October 1997;
- (b) the Financial Statements and Notes thereto give a true and fair view of the Trust's financial position as at 30 June 2017 and of its performance for the financial year ended 30 June 2017, in accordance with the basis of accounting set out in Note 1;
- (c) the Trust operated during the year ended 30 June 2017 in accordance with the provisions of the Master Trust Deed; and
- (d) in the opinion of the Manager, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of Securitisation Advisory Services Pty Limited as Manager of Medallion Trust Series 2014-1P.



Director  
Sydney  
18 October 2017

The Special Purpose Financial Statements for the financial year ended 30 June 2017 have been prepared by the Trust Manager, Securitisation Advisory Services Pty Limited as required by the Master Trust Deed.

The Auditor of the Trust, PricewaterhouseCoopers, who has been appointed by us in accordance with the Master Trust Deed, has conducted an audit of these Financial Statements.


A review of operations of the Trust and the results of those operations for the reporting period is contained in the Manager's Report.

Based on our ongoing program of monitoring the Trust, the Trust Manager and our review of the Financial Statements, we believe that:

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

We are not aware of any material matter or significant change in the state of affairs of the Trust occurring up to the date of this report that requires disclosure in the Financial Statements and the Notes thereto that has not already been disclosed.

Signed for and on behalf of Perpetual Trustee Company Limited.



Juan Manuel Gilarte

Sydney  
18 October 2017





## *Independent auditor's report*

To the unitholders of Medallion Trust Series 2014-1P

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### *Our opinion*

In our opinion the accompanying financial report gives a true and fair view of the financial position of Medallion Trust Series 2014-1P (the Trust) as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Master Trust Deed dated 8 October 1997 and a Series Supplement dated 24 April 2014.

### **What we have audited**

The financial report comprises:

- the balance sheet as at 30 June 2017
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the Manager's statement.

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### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

### **Independence**

We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### *Emphasis of matter - basis of accounting and restriction on distribution and use*

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared to assist Medallion Trust Series 2014-1P to meet the financial reporting requirements of the Master Trust Deed dated 8 October 1997 and a Series Supplement dated 24 April 2014. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Medallion Trust Series 2014-1P and unitholders and should not be distributed to or used by parties other than Medallion Trust Series 2014-1P and its unitholders. Our opinion is not modified in respect of this matter.

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### *Other information*

The Manager of the Trust is responsible for the other information. The other information obtained at the date of this auditor's report comprises the Manager's Report included in the Annual Financial Report, but does not include the financial report and our auditor's report thereon.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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

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

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

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### *Responsibilities of the Manager of the Trust for the financial report*

The Manager of the Trust is responsible for the preparation of the financial report that gives a true and fair view in accordance with the basis of preparation as described in Note 1 and the Master Trust Deed dated 8 October 1997 and a Series Supplement dated 24 April 2014, and this includes determining that the basis of preparation as described in Note 1 is an acceptable basis of preparation in the circumstances. The Manager of the Trust is also responsible for such internal control as the Manager of the Trust determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Manager of the Trust is responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager of the Trust either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*A S Wood*

A S Wood  
Partner

Sydney  
18 October 2017