APOLLO Series 2010-1 Trust
ABN 46 635 150 791
APOLLO Series 2013-1 Trust
ABN 74 245 651 471
APOLLO Series 2015-1 Trust
ABN 28 113 418 979
APOLLO Series 2017-2 Trust
ABN 33 215 199 342
APOLLO Series 2018-1 Trust
ABN 85 571 276 337

Financial Reports

for the financial period ended 30 June 2018

Contents

STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 30 June 2018

	2010-1		2013-1		2015-1		2017-2 21 September 2017 to 30 June 2018	2018-1 23 April 2018 to 30 June 2018
	2018 $	2017 $	2018 $	2017 $	2018 $	2017 $	$	$
Revenue								
Interest income on secured loan	**5,035,547**	6,224,930	**12,701,426**	15,921,288	**21,130,611**	27,563,633	**33,806,944**	**7,795,651**
Other income on secured loan	**226,573**	266,217	**392,372**	509,102	**746,760**	1,166,942	**551,117**	**206,123**
Total revenue	**5,262,120**	6,491,147	**13,093,798**	16,430,390	**21,877,371**	28,730,575	**34,358,061**	**8,001,774**
Expenses								
Interest expense on floating rate notes	**4,303,060**	5,261,642	**9,631,266**	11,742,083	**17,052,989**	21,356,910	**29,627,306**	**6,542,091**
Trustee and Manager fee	**182,855**	135,587	**231,750**	289,886	**412,838**	530,612	**670,914**	**248,256**
Other expenses	**13,571**	13,600	**37,221**	34,472	**39,028**	260,372	**64,299**	**4,208**
Total expenses	**4,499,486**	5,410,829	**9,900,237**	12,066,441	**17,504,855**	22,147,894	**30,362,519**	**6,794,555**
Profit before distribution expenses	**762,634**	1,080,318	**3,193,561**	4,363,949	**4,372,516**	6,582,681	**3,995,542**	**1,207,219**
Servicing fee	**566,662**	420,863	**771,601**	964,811	**1,369,008**	1,758,806	**2,008,921**	**932,069**
Residual income rights	**195,972**	659,455	**2,421,960**	3,399,138	**3,003,508**	4,823,875	**1,986,621**	**275,150**
Total distribution expenses	**762,634**	1,080,318	**3,193,561**	4,363,949	**4,372,516**	6,582,681	**3,995,542**	**1,207,219**
Profit before tax	**-**	-	**-**	-	**-**	-	**-**	**-**
Income tax expense	**-**	-	**-**	-	**-**	-	**-**	**-**
Profit for the financial period attributable to the unitholders of the Trusts	**-**	-	**-**	-	**-**	-	**-**	**-**
Total comprehensive income for the period attributable to the unitholders of the Trusts	**-**	-	**-**	-	**-**	-	**-**	**-**

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2018

	Note	2010-1		2013-1		2015-1		2017-2	2018-1
		2018	2017	2018	2017	2018	2017	2018	2018
		$	$	$	$	$	$	$	$
Assets									
Cash and cash equivalents		**150,231**	150,231	**150,200**	150,200	**4,650,200**	4,743,960	**149,964**	**150,200**
Secured loan income receivable		**244,628**	300,136	**500,776**	635,009	**925,068**	1,179,245	**1,851,090**	**1,840,622**
Receivable from related party		**1,139,354**	2,713,609	**5,149,623**	4,698,830	**12,216,608**	17,238,324	**29,423,079**	**26,333,944**
GST receivable		**7,201**	8,980	**16,189**	21,817	**28,972**	36,552	**66,114**	**29,686**
Secured loans	3	**135,281,733**	165,080,681	**305,441,483**	379,694,421	**542,836,888**	678,261,756	**1,226,926,248**	**1,194,292,137**
Total assets		**136,823,147**	168,253,637	**311,258,271**	385,200,277	**560,657,736**	701,459,837	**1,258,416,495**	**1,222,646,589**
Liabilities									
Payables	4	**82,237**	63,861	**122,071**	153,079	**720,638**	750,521	**863,190**	**889,875**
Interest payable		**217,652**	280,062	**149,471**	141,715	**820,416**	916,455	**1,771,343**	**1,813,884**
Distribution payable		**623,495**	728,242	**716,112**	1,442,380	**6,773,994**	7,246,167	**4,077,359**	**2,958,134**
Interest-bearing liabilities	5	**135,899,563**	167,181,272	**310,270,417**	383,462,903	**552,342,488**	692,546,494	**1,251,704,403**	**1,216,984,496**
Total liabilities (excluding units on issue)		**136,822,947**	168,253,437	**311,258,071**	385,200,077	**560,657,536**	701,459,637	**1,258,416,295**	**1,222,646,389**
Units on issue	6	**200**	200	**200**	200	**200**	200	**200**	**200**
Total liabilities		**136,823,147**	168,253,637	**311,258,271**	385,200,277	**560,657,736**	701,459,837	**1,258,416,495**	**1,222,646,589**
Net assets		**-**	-	**-**	-	**-**	-	**-**	**-**
Equity unitholders' funds		**-**	-	**-**	-	**-**	-	**-**	**-**

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

STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 30 June 2018

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

STATEMENTS OF CASH FLOWS

For the financial period ended 30 June 2018

	Note	2010-1		2013-1		2015-1		2017-2	2018-1
		2018 $	2017 $	2018 $	2017 $	2018 $	2017 $	21 September 2017 to 30 June 2018 $	23 April 2018 to 30 June 2018 $
Cash flows from operating activities									
Secured loan interest income receipts		**6,753,496**	8,481,399	**14,327,789**	18,103,388	**26,702,103**	35,229,820	**40,471,339**	**6,973,149**
Cash advance under secured loan		**-**	-	**-**	-	**-**	-	**(1,500,000,000)**	**(1,250,000,000)**
Other operating income received		**211,511**	272,232	**404,698**	511,178	**786,296**	1,166,018	**492,017**	**118,693**
Cash paid for redraws on secured loan		**(7,992,183)**	(7,722,982)	**(16,034,420)**	(19,138,483)	**(19,618,044)**	(28,159,990)	**(31,649,717)**	**(529,471)**
Repayment of secured loan		**39,273,922**	54,319,553	**89,226,906**	123,543,299	**159,822,050**	240,877,786	**279,945,314**	**33,544,975**
Interest paid on floating rate notes		**(5,914,225)**	(7,428,284)	**(10,886,756)**	(13,832,626)	**(22,259,217)**	(28,475,932)	**(35,308,074)**	**(7,286,368)**
Distribution paid		**(924,689)**	(1,182,906)	**(3,572,040)**	(4,448,583)	**(4,855,522)**	(6,595,617)	**(6,015,269)**	**(208,221)**
Fees paid		**(126,124)**	(142,410)	**(273,691)**	(333,357)	**(467,420)**	(365,885)	**(751,217)**	**(116,559)**
Net cash from (used in) operating activities	7	**31,281,708**	46,596,602	**73,192,486**	104,404,816	**140,110,246**	213,676,200	**(1,252,815,607)**	**(1,217,503,802)**
Cash flows from financing activities									
Cash received on issue of floating rate		**-**	-	**-**	-	**-**	-	**1,500,000,000**	**1,250,000,000**
Repayment of floating rate note principal		**(31,281,708)**	(46,596,571)	**(73,192,486)**	(104,404,816)	**(140,204,006)**	(212,717,796)	**(248,295,596)**	**(33,015,505)**
Drawdown of Liquidity Facility		**-**	-	**-**	-	**-**	-	**1,260,967**	**669,307**
Units in Series Trust issued		**-**	-	**-**	-	**-**	-	**200**	**200**
Net cash from (used in) financing activities		**(31,281,708)**	(46,596,571)	**(73,192,486)**	(104,404,816)	**(140,204,006)**	(212,717,796)	**1,252,965,571**	**1,217,654,002**
Net increase in cash and cash equivalents		**-**	31	**-**	-	**(93,760)**	958,404	**149,964**	**150,200**
Cash and cash equivalents at the beginning of the financial period		**150,231**	150,200	**150,200**	150,200	**4,743,960**	3,785,556	**-**	**-**
Cash and cash equivalents at the end of financial period		**150,231**	150,231	**150,200**	150,200	**4,650,200**	4,743,960	**149,964**	**150,200**

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2018

1. Reporting entity

The APOLLO Series 2010-1, APOLLO Series 2013-1, APOLLO Series 2015-1, APOLLO Series 2017-2, and APOLLO Series 2018-1 Trusts (the **Trusts**) are domiciled in Australia.

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

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

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

- APOLLO Series 2010-1 – 2 June 2010
- APOLLO Series 2013-1 – 14 May 2013
- APOLLO Series 2015-1 – 20 February 2015
- APOLLO Series 2017-2 – 21 September 2017
- APOLLO Series 2018-1 – 23 April 2018

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

- APOLLO Series 2010-1 – Class A1, A2, AB and B
- APOLLO Series 2013-1 – Class A, AB, B1 and B2
- APOLLO Series 2015-1 – Class A, AB, B1, B2 and B3
- APOLLO Series 2017-2 – Class A1, A2, AB, B, C, D and E
- APOLLO Series 2018-1 – Class A1, A2, AB, B, C, D and E

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

The financial report was authorised for issue by the directors of SME Management Pty Limited on 13 August 2018.

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 period. None of the new accounting standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2017 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 period.

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		2015-1		2017-2	2018-1
	2018	2017	2018	2017	2018	2017	2018	2018
	$	$	$	$	$	$	$	$
Residential mortgages	**135,281,733**	165,080,681	**305,441,483**	379,694,421	**542,836,888**	678,261,756	**1,226,926,248**	**1,194,292,137**
Total secured loans	**135,281,733**	165,080,681	**305,441,483**	379,694,421	**542,836,888**	678,261,756	**1,226,926,248**	**1,194,292,137**

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 impairment is currently deemed necessary for the Trust in excess of the distribution payable to the residual income unit holder as at 30 June 2018 (2017: $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 deemed recoverable and/or well secured.

(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 and/or have met the credit eligibility criteria to be selected for securitisation.

4. Payables

	2010-1		2013-1		2015-1		2017-2	2018-1
	2018	2017	2018	2017	2018	2017	2018	2018
	$	$	$	$	$	$	$	$
Unapplied funds	49,734	21,296	70,994	94,618	579,774	567,710	542,993	580,405
Manager fee	5,529	7,241	9,226	10,492	24,969	32,351	56,584	54,970
Servicer fee	22,116	28,964	36,904	41,967	99,876	129,402	226,336	219,881
Liquidity and redraw facility fee	183	238	132	194	636	863	1,248	1,078
Trustee fee	2,463	3,226	1,125	1,611	5,395	7,255	13,395	11,553
Custodian fee	2,212	2,896	3,690	4,197	9,988	12,940	22,634	21,988
Total payables	82,237	63,861	122,071	153,079	720,638	750,521	863,190	889,875

5. Interest-bearing liabilities

	2010-1		2013-1		2015-1		2017-2	2018-1
	2018	2017	2018	2017	2018	2017	2018	2018
	$	$	$	$	$	$	$	$
Floating rate notes	135,899,563	167,181,272	310,270,417	383,462,903	552,342,488	692,546,494	1,251,704,403	1,216,984,496
Total interest-bearing liabilities	135,899,563	167,181,272	310,270,417	383,462,903	552,342,488	692,546,494	1,251,704,403	1,216,984,496

6. Units on issue

	2010-1				2013-1				2015-1			
	2018		2017		2018		2017		2018		2017	
	No. of units	$	No. of units	$	No. of units	$	No. of units	$	No. of units	$	No. of units	$
Units on issue												
Income unit	1	100	1	100	1	100	1	100	1	100	1	100
Capital units (A & B)	10	100	10	100	10	100	10	100	10	100	10	100
Total units on issue	11	200	11	200	11	200	11	200	11	200	11	200

	2017-2		2018-1	
	2018		2018	
	No. of units	$	No. of units	$
Units on issue				
Income unit	1	100	1	100
Capital units (A & B)	10	100	10	100
Total units on issue	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		2015-1		2017-2	2018-1
							21 September 2017 to 30 June 2018	23 April 2018 to 30 June 2018
	2018	2017	2018	2017	2018	2017		
	$	$	$	$	$	$	$	$
Profit for the financial period	-	-	-	-	-	-	-	-
Change in assets and liabilities								
(Increase) decrease in secured loan principal	29,798,948	43,699,414	74,252,938	103,123,918	135,424,868	209,125,176	(1,226,926,248)	(1,194,292,137)
(Increase) decrease in receivables	1,631,542	3,200,406	(310,932)	1,716,747	5,283,473	4,758,242	(31,340,283)	(28,204,252)
(Decrease) increase in total payables	(148,782)	(303,218)	(749,520)	(435,849)	(598,095)	(207,218)	5,450,924	4,992,587
Net cash from operating activities	31,281,708	46,596,602	73,192,486	104,404,816	140,110,246	213,676,200	(1,252,815,607)	(1,217,503,802)

8. Auditor's remuneration

	2010-1		2013-1		2015-1		2017-2	2018-1
							21 September 2017 to 30 June 2018	23 April 2018 to 30 June 2018
	2018	2017	2018	2017	2018	2017		
	$	$	$	$	$	$	$	$
KPMG Australia								
Audit of the financial report	7,405	8,145	7,405	8,145	7,405	8,145	7,405	7,405
Other assurance services	8,098	9,717	8,098	9,717	8,098	9,717	41,598	42,863
Total auditor's remuneration	15,503	17,862	15,503	17,862	15,503	17,862	49,003	50,268

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 Trusts 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*

AASB 9 was issued in December 2014. It addresses recognition and measurement requirements for financial assets and financial liabilities, impairment requirements that introduce an expected credit loss impairment model and general hedge accounting requirements. This standard becomes mandatory for the Trusts for annual reporting periods from 1 July 2018.

The standard has to be applied retrospectively and the option not to restate our prior period financial statements is elected. The changes in recognition and measurement resulting from the adoption of AASB 9 will be recognised in 1 July 2018 opening retained earnings and other appropriate equity reserves.

Governance

The Trusts form part of the Suncorp Group project set up to implement the requirements of AASB 9 for all of the Suncorp Group's entities. It is governed through a steering committee involving divisional CFOs, CROs and Heads of Finance and was delivered by working groups with stakeholders from risk management, finance, data and transformation and the business units.

Transitional impact

After completing the assessment of changes in classification and measurement the impact on financial assets and liabilities as at 30 June 2018 is immaterial for the Trusts. Where applicable, the impact will be reported as part of the transitional disclosures in 30 June 2019.

AASB 15 *Revenue from Contracts with Customers*

AASB 15 was issued in December 2014 and provides a single comprehensive model for revenue recognition based on the satisfaction of performance obligations and additional disclosures about revenue. It replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts*, and related interpretations. This standard will become mandatory for the Trusts' 30 June 2019 financial statements.

The Suncorp Group is in the process of assessing the impact of adoption of the standard. It is available for early adoption but has not been applied in this financial report.

10. Subsequent events

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

TRUSTEE'S REPORT

For the financial period ended 30 June 2018

The financial statements for the financial period ended 30 June 2018 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 period ended 30 June 2018 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

Nathan Gale
Authorised Officer
Perpetual Trustee Company Limited

Sydney

13 August 2018

MANAGER'S DECLARATION

For the financial period ended 30 June 2018

Review of operations

Net profit from operating activities before distribution expenses for the financial period ended 30 June 2018 for APOLLO Series Trusts was:

- APOLLO Series 2010-1 $762,634 (2017: $1,080,318)
- APOLLO Series 2013-1 $3,193,561 (2017: $4,363,949)
- APOLLO Series 2015-1 $4,372,516 (2017: $6,582,681)
- APOLLO Series 2017-2 $3,995,542
- APOLLO Series 2018-1 $1,207,219

Declaration

In the opinion of the Manager of APOLLO Series Trusts:

(a) the financial statements and notes, set out on pages 2 to 14, present fairly, in all material respects, the financial position of the Trusts as of 30 June 2018 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 period ended 30 June 2018 in accordance with the provisions of the Trust Deed dated 28 January 1999; and

(c) there are reasonable grounds to believe that the Trusts will be able to pay their debts as and when they become due and payable.

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

Director ALANA BAILEY
SME Management Pty Limited

Brisbane

13 August 2018