Crusade ABS Series 2012-1 Trust

ABN 84 275 254 181

Special Purpose Annual Report

For the year ended 30 September 2014

CRUSADE ABS SERIES 2012-1 TRUST

CONTENTS

This financial report covers Crusade ABS Series 2012-1 Trust (the Trust) as an individual entity. The financial report is presented in Australian dollars. The financial report was authorised for issue by Westpac Securitisation Management Pty Limited (the Manager) under delegation of Perpetual Corporate Trust Limited (the Trustee) on 5 December 2014. Crusade ABS Series 2012-1 Trust is incorporated and domiciled in Australia. The Manager's registered office is:

Level 20, Westpac Place

275 Kent Street,

Sydney NSW 2000

The Trustee has the power to amend and reissue the financial report.

MANAGER'S REPORT

For the purposes of this report, the 'Manager' refers to Westpac Securitisation Management Pty Limited. The Manager has prepared this special purpose financial report under delegation of Perpetual Corporate Trust Limited (the Trustee).

The Manager of the Trust presents its report together with the special purpose annual financial report for the year ended 30 September 2014.

Principal activities

The Trust's principal activities during the year consisted of acquiring and holding the rights, but not the obligations, in relation to a pool of St.George Finance Limited's automotive finance receivables funded with the proceeds from the issuance of debt securities. The Trust has entered into interest rate swaps agreements to manage its exposure to interest rate risk. The transactions with St.George Finance Limited are accounted for based on the substance of the transaction (rather than the legal form) and are recognised in the accounts as part of a non-recourse loan. During the financial year principal collections were used to acquire further rights to additional automotive finance receivables.

There were no significant changes in the nature of these activities during the year.

Review and results of operations

Operating profit after income tax of the Trust for the year ended 30 September 2014 was $36,425,096 (2013: $33,394,323) and total comprehensive income was $nil (2013: $nil). As all profit was fully distributed to the income unitholders, no income tax is payable by the Trust.

Significant changes in the state of affairs

There were no significant changes in the Trust's state of affairs during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report, 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 years.

Environmental regulation

The operations of the Trust are not subject to significant environmental regulation under any law of the Commonwealth of Australia or of any state or territory thereof.

The Trust has not incurred any liability (including for rectification costs) under any environmental legislation.

Likely developments and expected results of operations

There are no likely developments that are expected to have a material impact on the results of the Trust's operations.

Rounding of amounts

Amounts in the accompanying financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

The report is made in accordance with a resolution of the Directors of the Manager.

Director

Director

Sydney,
5 December 2014

CRUSADE ABS SERIES 2012-1 TRUST

Statement of comprehensive income for the year ended 30 September 2014

	Note	Year ended 30 September 2014	Period ended 30 September 2014
		$'000	$'000
Interest income	3	117,048	104,315
Interest expense	3	(71,845)	(66,839)
Net interest income		**45,203**	**37,476**
Net operating income before operating expenses and impairment charges		**45,203**	**37,476**
Operating expenses	4	(2,978)	(2,510)
Impairment charges		(5,800)	(1,572)
Operating profit before income tax		**36,425**	**33,394**
Income tax expense		-	-
Operating profit after income tax		**36,425**	**33,394**
Distributions to unitholders		(36,425)	(33,394)
Net profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the unitholders of Crusade ABS Series 2012-1 Trust		-	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CRUSADE ABS SERIES 2012-1 TRUST

Balance sheet as at 30 September 2014

	Note	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
Assets			
Cash and cash equivalents	**13(b)**	46,349	105,007
Loan	**5**	762,498	1,104,687
Due from related entities	**6**	977	1,619
Other assets	**7**	1	1
Total assets		**809,825**	**1,211,314**
Liabilities			
Due to related entities	**8**	6,839	9,412
Debt issues	**9**	801,757	1,200,000
Other liabilities	**10**	1,229	1,902
Total liabilities excluding net assets attributable to unitholders		**809,825**	**1,211,314**
Net assets attributable to unitholders	**11**	-	-
Total liabilities		**809,825**	**1,211,314**
Net assets		-	-
Equity			
Residual unit issued	**12**	-	-
Total equity		-	-

The above balance sheet should be read in conjunction with the accompanying notes.

CRUSADE ABS SERIES 2012-1 TRUST

Statement of changes in equity for the year ended 30 September 2014

	Note	Residual unit $	Retained profits $	Total $
Balance at 6 December 2012		-	-	-
Total comprehensive income for the period		-	-	-
Transaction with owner in the capacity as unitholder:				
Contributions of equity, net of transaction costs		10	-	10
Distributions provided for or paid		-	-	-
Balance at 30 September 2013	**12**	**10**	**-**	**10**
Total comprehensive income for the year		-	-	-
Transaction with owner in the capacity as unitholder:				
Contributions of equity, net of transaction costs		-	-	-
Distributions provided for or paid		-	-	-
Balance at 30 September 2014	**12**	**10**	**-**	**10**

Rounding has not been applied to this statement due to the low value of the balances. The above statement of changes in equity should be read in conjunction with the accompanying notes.

CRUSADE ABS SERIES 2012-1 TRUST

Cash flow statement for the year ended 30 September 2014

	Note	Year ended 30 September 2014	Period ended 30 September 2014
		$'000	$'000
Cash flows from operating activities			
Interest received		117,690	102,697
Interest paid		(73,567)	(59,627)
Payments to suppliers and service providers		(3,009)	(2,290)
Net cash inflow from operating activities	13(a)	**41,114**	**40,780**
Cash flows from investing activities			
Non-recourse loan payments		(181,888)	(1,517,050)
Non-recourse loan proceeds		518,277	410,791
Net cash inflow/(outflow) from investing activities		**336,389**	**(1,106,259)**
Cash flows from financing activities			
(Repayment of)/proceeds from debt issues		(398,243)	1,200,000
Distributions paid to unitholders		(37,918)	(29,514)
Net cash (outflow)/inflow from financing activities		**(436,161)**	**1,170,486**
Net (decrease)/increase in cash and cash equivalents		**(58,658)**	**105,007**
Cash and cash equivalents at beginning of the year		105,007	-
Cash and cash equivalents at end of the year	13(b)	**46,349**	**105,007**

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. General information

The Trust was established pursuant to a Notice of Creation of Trust from Westpac Securitisation Management Pty Limited, the Manager, to Perpetual Corporate Trust Limited, the Trustee, dated 6 December 2012.

The Trust's immediate parent entity is St. George Finance Limited, incorporated in Australia. The ultimate parent entity is Westpac Banking Corporation (Westpac), incorporated in Australia.

Note 2. Summary of significant accounting policies

This special purpose financial report covers Crusade ABS Series 2012-1 (the Trust) for the year ended 30 September 2014. The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

a. Basis of accounting

(i) General

The Trust is not a reporting entity because, in the opinion of the Directors of the Manager, the likely users of the financial report are able to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs.

Accordingly this special purpose financial report (the financial report) has been prepared in accordance with the requirements of the Master Trust Deed. The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia, so far as they are consistent with the provisions of the Master Trust Deed except for the fair value measurement requirements of AASB 139 in respect of derivatives (refer Note 2(f)(i)). It contains only those disclosures considered necessary by the Directors to meet the needs of the members.

(ii) Amendments to Accounting Standards that are effective this period

The following standards, interpretations and amendments have been adopted in the 2014 financial year as a result of the new and revised accounting standards which became operative for the annual reporting period commencing 1 October 2013:

- AASB 13 *Fair Value*

  AASB 13 provides a single unified definition of fair value and a framework for measuring and disclosing fair value. In accordance with the transitional provisions, AASB 13 was applied prospectively from 1 October 2013 and the Trust has not provided any comparative information for new disclosures. The application of AASB 13 in the current period has not had a material impact on the financial position nor performance of the Trust.

- AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

  AASB 2012-2 requires additional disclosures of enforceable master netting arrangements and their effect, even if assets and liabilities are not offset on the statement of financial position. The application of AASB 2012-2 has not affected any of the amounts recognised in the financial statements.

(iii) Historical cost

The financial report has been prepared in accordance with the historical cost convention except where otherwise indicated.

(iv) Balance sheet presentation

Assets and liabilities have been presented in order of liquidity on the face of the balance sheet.

(v) Functional and presentation currency

Items included in the financial statements for the Trust are measured using the currency of the primary economic environment in which the Trust operates (the functional currency). The financial statements are presented in Australian dollars. All amounts are expressed in Australian dollars except where otherwise indicated.

(vi) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(vii) Comparatives

Comparative information has been revised where appropriate to enhance comparability. The comparatives are for the period 06 December 2012 to 30 September 2013.

b. Revenue recognition

(i) Interest income

Interest income for all instruments measured at amortised cost is recognised in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, cash flows are estimated based upon all contractual terms of the financial instrument (for example, prepayment options) but do not consider future credit losses. The calculation includes all fees and other amounts paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest relating to impaired loans is recognised using the loan's original effective rate based on the net carrying value of the impaired loan after giving effect to impairment charges, or for a variable loan, the current effective interest rate determined under the contract. This rate is also used to discount the future cash flows for the purpose of measuring the impairment loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of significant accounting policies (continued)

b. Revenue recognition (continued)

(ii) Other income

Other income is recognised on an accrual basis over the period during which the service is performed.

c. Expense recognition

(i) Interest expense

Interest expense is recognised in the statement of comprehensive income for all instruments measured at amortised cost using the effective interest method (refer Note 2(b)(i)).

(ii) Operating expenses

Operating expenses are recognised on an accrual basis over the period during which the service is performed.

d. Income tax

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed to income unitholders.

e. Assets

(i) Cash and cash equivalents

For the purposes of presentation in the cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(ii) Financial assets

The Trust classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale securities. Management determines the classification of its financial assets at initial recognition.

- *Financial assets at fair value through profit or loss*

  A financial asset is classified in this category if acquired principally for the purpose of selling it in the near term, if it is part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit taking, if it is a derivative that is not a designated hedging instrument, or if so designated on acquisition by management.
- *Loans and receivables*

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- *Available-for-sale securities*

  Available-for-sale securities are those debt or equity securities that are designated as available-for-sale or that are not classified as financial assets at fair value through profit or loss or loans and receivables.

Other investments, which comprise of unlisted equity securities that do not have a quoted price in an active market and where fair value cannot be estimated within a reasonable range of probable outcomes, are carried at cost.

Recognition of financial assets and associated derivatives

Loans are recognised when cash is advanced to borrowers. The non-recourse loan to St.George Finance Limited is recognised at fair value of consideration and is subsequently measured at amortised cost. The loan represents the underlying rights, but not the obligations, of the pool of automotive finance receivables. The associated interest and fee items are included in the interest income.

(iii) Impairment of financial assets

Assets carried at amortised cost

Westpac, as Servicer, assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognised if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate, or where the financial asset has a variable rate, discounted at the current effective interest rate determined under the contract.

The methodology and assumptions used, are reviewed regularly by the Servicer. Subsequent recoveries of amounts previously written off decrease the amount of the charge for loan impairment in the statement of comprehensive income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The amount of the reversal is recognised in the statement of comprehensive income.

(iv) Derecognition of financial assets

A financial asset is no longer recognised when:

- the rights to receive cash flows from the asset have expired; or
- the Trust has transferred its rights to receive the cash flows from the asset or retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party and cannot sell or repledge the asset other than to the transferee; and
- either the Trust has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(v) Due from related entities

Due to related entities are initially recognised at fair value and subsequently measured at amortised cost.

(vi) Other assets

Other assets are recognised at fair value and subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of significant accounting policies (continued)

f. Liabilities

(i) Derivative financial instruments

Derivative financial instruments include interest rate swaps which are initially recognised in the balance sheet at fair value on the date on which a derivative contract is entered into and are subsequently measured at amortised cost.

(ii) Due to related entities

Due to related entities are initially recognised at fair value and subsequently measured at amortised cost.

(iii) Debt issues

Debt securities issued are initially recognised at fair value of the consideration received and are subsequently measured at amortised cost.

(iv) Other liabilities

Other liabilities include payables and accrued expenses owing by the Trust which are unpaid as at balance sheet date. They are initially recognised at fair value and subsequently measured at amortised cost.

g. Net assets attributable to unitholders

Units are redeemable on a fixed date 80 years after the commencement of the Trust, unless the Trust is terminated before this date in accordance with the provision of the Trust Deed. Under the terms of the Trust's constitution, unitholders have a present entitlement to the distributable income of the Trust. All net assets attributable to unitholders have been recognised as liabilities of the Trust, rather than as equity due to the entitlement to the income and the mandatory redemption of the units. The classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and comprehensive income attributable to unitholders of the Trust.

h. Residual unit on issue

The residual unit is classified as equity and is recognised at cost, being the fair value of consideration received. When issued capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as changes in equity.

i. 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.

j. Critical accounting judgements and estimates

The application of the Trust's accounting policies may require the use of judgement, estimates and assumptions. Should different assumptions or estimates be applied, the resulting values would change, impacting the net assets and income of the Trust.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The nature of assumptions and estimates used and the value of the resulting asset and liability balances are included in the policies below:

Provision for impairment charges on loan

The Trust's loan impairment provision is established to recognise incurred impairment in its portfolio of loans. A loan is impaired when there is objective evidence that events occurring since the loan was recognised have affected expected cash flows from the loan. The impairment charge is the difference between the carrying value of the loan and the present value of estimated future cash flows calculated at the loan's original effective interest rate for fixed rate loans and the loan's current effective interest rate for variable rate loans. Provision for loan impairment represents management's estimate of the impairment charges incurred in the loan portfolio as at the balance sheet date. Changes to the provision for loan impairment are reported in the statement of comprehensive income as part of impairment charges on loan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of significant accounting policies (continued)

k. Future developments in accounting standards

The following new standards and interpretations which may have a material impact on the Trust have been issued, but are not yet effective and have not been early adopted by the Trust:

AASB 9 *Financial Instruments* was issued by the Australian Accounting Standards Board in December 2009. Unless early adopted the standard is effective for the 30 September 2019 financial year end. The major changes under the standard are:

- replaces the multiple classification and measurement models in AASB 139 *Financial Instruments: Recognition and Measurement* with a single model that has two classification categories: amortised cost and fair value;
- a financial asset is measured at amortised cost if two criteria are met: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent the payment of principal and interest;
- if a financial asset is eligible for amortised cost measurement, an entity can elect to measure it at fair value if it eliminates or significantly reduces an accounting mismatch;
- there will be no separation of an embedded derivative where the instrument is a financial asset;
- equity instruments must be measured at fair value, however an entity can elect on initial recognition to present the fair value changes on non-trading equity investments directly in other comprehensive income. There is no subsequent recycling of fair value gains and losses to profit or loss; however dividends from such investments will continue to be recognised in profit or loss;
- if an entity holds an investment in asset-backed securities (ABS) it must determine the classification of that investment by looking through to the underlying assets and assess the credit quality of the investment compared with the underlying portfolio of assets. If an entity is unable to look through to the underlying assets, then the investment must be measured at fair value;
- the portion of a change of fair value relating to the entity's own credit risk for financial liabilities measured at fair value is presented in other comprehensive income, except where it would create an accounting mismatch. If such a mismatch is created or enlarged, all changes in fair value (including the effects of changes in the credit risk) is recognised in profit or loss. The Trust early adopted this amendment from 1 October 2013; and
- aligns hedge accounting more closely with risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness.

The IASB recently released a final version of IFRS 9 *Financial Instruments.* This final standard includes a new expected credit loss impairment model which will replace the current incurred loss impairment model. The Australian Accounting Standards Board is expected to release a final version of AASB 9 equivalent to IFRS 9 shortly. We are yet to determine the impact of this revised standard on the Trust. The IASB also has a separate active project on accounting for macro hedging which it continues to work on.

As a result of the issuance and reissuance of AASB 9, two further standards have been issued by the AASB which give effect to consequential changes to a number of Australian Accounting Standards and Interpretations. These standards are AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* which was issued in December 2009 and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* which was issued in December 2010. These standards will be applicable when AASB 9 is adopted by the Trust.

AASB 9 will impact the classification and measurement of the Trust's financial instruments when the remainder of the standard is adopted.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities was issued in June 2012 and will be effective for the 30 September 2015 financial year end. The amendment provides application guidance to address inconsistencies in the application of the offsetting criteria provided in AASB 132 Financial Instruments: Presentation, including clarifying the meaning of current legal enforceable right of set-off is legally enforceable in all circumstances and that some gross settlement systems (such as through a clearing house) may be considered as the equivalent to net settlement. The amendment is not expected to have a material impact on the Trust.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3. Net interest income

	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
Interest income		
Transactions with ultimate parent entity:		
Bank interest	2,337	3,634
Transactions with related entities:		
Non-recourse loan	114,711	100,681
Total interest income	**117,048**	**104,315**
Interest expense		
Debt issues	31,560	31,626
Transactions with ultimate parent entity:		
Debt issues	9,296	8,210
Interest rate swaps	30,989	27,003
Total interest expense	**71,845**	**66,839**
Net interest income	**45,203**	**37,476**

Note 4. Operating expenses

	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
Transactions with ultimate parent entity:		
Liquidity facility fees	26	20
Servicing fees	2,450	2,089
Transactions with related entities:		
Management fees	294	251
Trustee fees	108	99
Other operating expenses	100	51
Total operating expenses	**2,978**	**2,510**

Note 5. Loan

	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
Balances with related entities:		
Non-recourse loan - principal	762,498	1,104,687
Total loan	**762,498**	**1,104,687**

Note 6. Due from related entities

	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
Balances with related entities:		
Accrued interest receivable - non-recourse loan	977	1,619
Total due from related entities	**977**	**1,619**

Note 7. Other assets

	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
GST recoverable	1	1
Total other assets	**1**	**1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 8. Due to related entities

	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
Balances with ultimate parent entity:		
Accrued interest payable - debt issues	426	489
Accrued expenses	166	192
Accrued interest payable - interest rate swaps	3,840	4,828
Balances with related entities:		
Distribution payable	2,387	3,880
Accrued expenses	20	23
Total due to related entities	**6,839**	**9,412**

Note 9. Debt issues

	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
AUD Class A Notes	646,381	1,020,000
AUD Class B Notes	51,792	60,000
AUD Class C Notes	31,075	36,000
AUD Class D Notes	20,717	24,000
AUD Class E Notes	18,990	22,000
Seller Notes	32,802	38,000
Total debt issues	**801,757**	**1,200,000**

Debt issue balance with ultimate parent entity at year end 30 September 2014 is $155,376,635 (2013: $180,500,000).

Note 10. Other liabilities

	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
Accrued interest payable - debt issues	1,225	1,896
Accrued expenses	4	6
Total other liabilities	**1,229**	**1,902**

Note 11. Net assets attributable to unitholders

	Year ended 30 September 2014 Units	Period ended 30 September 2014 Units
On issue at beginning of the year	1	1
On issue at year end	**1**	**1**

	Year ended 30 September 2014 $'000	Period ended 30 September 2014 $'000
At beginning of the year	-	-
Total net assets attributable to unitholders	**-**	**-**

When no rounding is applied, the carrying value of the total net assets attributable to unitholders is $10.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 12. Equity

	Year ended 30 September 2014	Period ended 30 September 2014
	$'000	$'000
Residual unit issued at $10	-	-
Total equity	**-**	**-**

When no rounding is applied, the carrying value of the total equity is $10.

Note 13 Notes to the cash flow statement

	Year ended 3 September 2014	Period ended 30 September 2014
	$'000	$'000
(a) Reconciliation of net cash inflow from operating activities to net profit for the period		
Operating profit after income tax	36,425	33,394
Adjustment for:		
Impairment charges	5,800	1,572
Changes in operating assets and liabilities:		
Decrease/(increase) in interest receivable	642	(1,619)
Increase in other assets	-	(1)
(Decrease)/increase in interest payable	(1,722)	7,213
(Decrease)/increase in fees and expenses	(31)	221
Net cash inflow from operating activities	**41,114**	**40,780**
(b) Reconciliation of cash		
Cash with ultimate parent entity	46,349	105,007
Cash and cash equivalents at end of year	**46,349**	**105,007**

Note 14. Auditor's remuneration

Auditor's remuneration of $10,900 (2013: $10,500) is borne by the ultimate parent entity and is disclosed in the financial statements of the Westpac Group.

Note 15. Contingencies and commitments

For the year ended 30 September 2014, there are no material contingencies and commitments to be disclosed.

Note 16. Subsequent events

No matter or circumstance has arisen since 30 September 2014 which is not otherwise dealt with in this report that has significantly affected, or may affect, the operations or the state of affairs of the Trust in subsequent periods.

CRUSADE ABS SERIES 2012-1 TRUST

MANAGER'S DECLARATION

We report that in our opinion:

(a) the Crusade ABS Series 2012-1 Trust (the Trust) has operated during the year ended 30 September 2014 in accordance with the provisions of the Master Trust Deed for the Trust;

(b) the attached Special Purpose Financial Report of the Trust is properly drawn up in accordance with the Master Trust Deed for the Trust so as to present fairly the state of affairs of the Trust at 30 September 2014 in accordance with Note 2 (a) to the Financial Report and of the results and cash flows of the Trust for the year ended at that date, and

(c) at the date of this Statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

For and on behalf of the Trust Manager
Westpac Securitisation Management Pty Limited
(ABN 73 081 709 211)

Director

Director

Sydney,
5 December 2014

pwc

Independent auditor's report to the unitholders of Crusade ABS Series 2012-1 Trust

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Crusade ABS Series 2012-1 Trust (the trust), which comprises the balance sheet as at 30 September 2014, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Trust Manager's declaration.

Directors of the Trust Manager's responsibility for the financial report

The directors of Westpac Securitisation Management Pty Limited, as Trust Manager for the Trust, are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2 to the financial statements, which forms part of the financial report, is appropriate to meet the requirements of the trust deed dated 14 March1998 and is appropriate to meet the needs of the unitholders.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Auditor's opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the trust as at 30 September 2014 and its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

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Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Crusade ABS Series 2012-1 Trust to meet the requirements of the trust deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the unitholders of Crusade ABS Series 2012-1 Trust.

PricewaterhouseCoopers

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Yura Mahindroo
Partner

Sydney
5 December 2014