



7 February 2018

Market Announcements Office  
Australian Securities Exchange

## **ELECTRONIC LODGEMENT**

Dear Sir or Madam

### **MG Unit Trust – Interim financial statements and reports for the half-year ended 31 December 2017**

In accordance with the Listing Rules, attached is a copy of the Appendix 4D, together with MG Unit Trust's interim financial statements and reports for the period ended 31 December 2017, for immediate release to the market.

Further, given that unitholders have an economic exposure to Murray Goulburn Co-operative Co. Limited (Murray Goulburn), the interim financial statements and reports of Murray Goulburn for the half-year ended 31 December 2017 will be released to the market.

A presentation of Murray Goulburn's interim financial results for the half-year ended 31 December 2017 will be held at 11.00am AEDT today. A webcast of the presentation will be available at <https://edge.media-server.com/m6/p/fywx7mo> and an archived version will be available on Murray Goulburn's website [www.mgc.com.au](http://www.mgc.com.au) for viewing after the webcast.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Amy Alston'.

**Amy Alston**  
Company Secretary

**Half-year report**

**MG Unit Trust**

**ARSN 606 103 637**

**1. Details of the reporting period**

Reporting Period: 1 July 2017 to 31 December 2017

Previous Corresponding Period: 1 July 2016 to 31 December 2016.

**2. Results for announcement to the market**

|  | <b>31<br/>December<br/>2017</b> | <b>31<br/>December<br/>2016</b> | <b>Up/Down<br/>\$m</b> | <b>Movement<br/>%</b> |
|--|---------------------------------|---------------------------------|------------------------|-----------------------|
|  | <b>\$m</b>                      | <b>\$m</b>                      |                        |                       |
| 2.1 Investment income<br>/(expense) – net fair<br>value (loss) gain on<br>revaluation of loan to<br>MG Sub Trust | 44                              | (33)                            | 77                     | 233%                  |
| 2.2 Profit (loss) from<br>ordinary activities<br>after tax attributable<br>to unitholders                        | -                               | -                               | N/A                    | N/A                   |
| 2.3 Net profit (loss) for<br>the period<br>attributable to<br>unitholders  | -                               | -                               | N/A                    | N/A                   |

**2.4 Distributions**

|   | Amount per security | Franked amount per<br>security |
|---|---------------------|--------------------------------|
| Current period<br>Interim Distribution                | N/A                 | N/A                            |
| Previous corresponding period<br>Interim Distribution | 1.70 cents          | 1.70 cents                     |

2.5 Distribution record date: N/A (nil interim distribution proposed).

2.6 Brief explanation of figures in 2.1 to 2.4 - :

- i) Revenue is up 233% and represents a net fair value gain on revaluation of loan to MG Sub Trust of \$43.520m, the comparative period reported a loss of \$32.672m.
- ii) The Scheme reported nil profit after income tax for the period ended 31 December 2017 (comparative period, \$nil).
- iii) N/A (nil interim distribution).

**3. Net tangible asset backing per unit at 31 December 2017:** A\$0.855 (2016: A\$0.925).

**4. Control gained over entities having a material effect:** None.

**5. Details of individual distributions and payment dates:** Not applicable.

**6. Details of Distribution Reinvestment Plan:** Not applicable, no interim distribution.

**7. Details of associates and joint venture entities:** None.

**8. For foreign entities, which set of accounting standards is used in compiling the report:** Not applicable.

**9. Details of independent auditor's review report that is subject to modified opinion, emphasis of matter or other matter paragraph:** The independent auditor's review report included in the attached interim financial statements contains an emphasis of matter paragraph in respect of going concern. This is also addressed in Note 2(C) of the interim financial statements.



John Spark  
Chairman of Parent



Ari Mervis  
Chief Executive Officer and Managing Director of Parent

Date: 7 February 2018

**MG Unit Trust**  
**(ARSN 606 103 637)**

Interim Financial Statements and Reports for the half year ended  
31 December 2017

## Directors' Report

The Directors of MG Responsible Entity Limited, the Responsible Entity of MG Unit Trust (the 'Scheme'), present the following report for the half year ended 31 December 2017.

### Responsible Entity

The registered office and principal place of business of the Responsible Entity and the Scheme is Level 15, Freshwater Place, 2 Southbank Boulevard, Southbank, VIC 3006.

### Directors

The Directors of MG Responsible Entity Limited listed below held office as a Director of the Responsible Entity at all times during or since the end of the half year.

|  |   |
|--|---|
| J Spark (Chairman of Parent)                                       | I Goodin (appointed 27 October 2017)    |
| A Mervis (Chief Executive Officer and Managing Director of Parent) | DC Grant (appointed 27 October 2017)    |
| WT Bodman  | KD Jackson                              |
| M Clark  | GH Kilpatrick                           |
| CJ Dwyer   | BA Williams (appointed 27 October 2017) |
| LM Dwyer   |   |

N Akers (retired 27 October 2017), MF Ihlein (retired 27 October 2017), KW Jones (retired 27 October 2017) and GN Munzel (retired 27 October 2017) ceased to be Directors during the period.

### Principal Activities

The principal activity of the Scheme during the half year ended 31 December 2017 has been to act as a special purpose, passive funding vehicle holding only an interest in subordinated Notes and Convertible Preference Shares (CPS) issued by Murray Goulburn Co-operative Co. Limited. The Notes and CPS are held by the trustee of the Murray Goulburn Sub Trust on trust for MG Responsible Entity Limited as responsible entity of the Scheme. Murray Goulburn Co-operative Co. Limited is the ultimate parent of each of MG Responsible Entity Limited and the trustee of the Murray Goulburn Sub Trust.

The Scheme did not have any employees during the half year ended 31 December 2017.

No significant change in the nature of these activities occurred during the half year ended 31 December 2017.

### Review of Operations

The Scheme reported nil profit after income tax for the half year ended 31 December 2017. The value of Scheme assets at 31 December 2017 was \$175.9 million (2016, \$188.5 million). Scheme assets are valued at fair value through profit or loss. Given that the Scheme provides unitholders with an economic exposure to Murray Goulburn Co-operative Co. Limited, this financial report should be read in conjunction with the financial report of Murray Goulburn Co-operative Co. Limited (the parent entity) for the half year ended 31 December 2017. That financial report is available on the parent entity's web site and has been released to the ASX in conjunction with this report.

### Likely developments and expected results of operations

On 27 October 2017, Murray Goulburn Co-Operative Co. Limited (MG), the Company's ultimate parent, entered into an agreement for the sale of MG's operating assets and liabilities to Saputo Dairy Australia Pty Ltd (Saputo). The agreement entered into with Saputo is subject to certain conditions, including the approval by an ordinary resolution of MG's voting shareholders as well as approval by the Australian Competition and Consumer Commission (ACCC) and the Foreign Investment Review Board (FIRB). Should the agreement receive all the necessary approvals, the sale transaction is expected to occur by 30 June 2018. At this stage, a Notice of Meeting and Explanatory Memorandum is expected to be released in March / April 2018.

If the Saputo transaction occurs, MG intends to make an estimated initial distribution of the net transaction proceeds of approximately \$0.75 per share and unit, to be paid shortly after completion. As part of the Saputo transaction, MG has agreed to retain liabilities associated with the current ACCC proceeding, and the Unitholder class action (and any claim or dispute which is based on the same or substantially similar facts or circumstances) (Retained Litigation). MG will retain part of the sale proceeds to appropriately manage any potential exposure it has under the Retained Litigation. Further cash distributions to shareholders and unitholders are expected upon conclusion of the Retained Litigation, or earlier if the Board considers it appropriate. The timing and exact amount of any subsequent distributions is not certain given the outcome of the Retained Litigation is uncertain.

Under the terms of the MG Notes and Convertible Preference Shares the amount of any subsequent distributions received by shareholders and unitholders will be equal.

## Directors' Report (continued)

### Likely developments and expected results of operations (continued)

Going concern is addressed in Note 2(c) of the interim financial report and our auditor has noted an Emphasis of Matter in respect to going concern in their independent review report.

### Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme in financial years subsequent to the half year ended 31 December 2017.

### Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument amounts in the Directors' report and the interim financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

### Auditor's Independence Declaration

Our auditor has provided the Board of Directors of MG Responsible Entity Limited with a signed Independence Declaration in accordance with section 307C of the Corporations Act 2001. This declaration is included at page 12 of this financial report.

Signed in accordance with a resolution of the Board of Directors.



J Spark  
Chairman of Parent



A Mervis  
Chief Executive Officer and Managing Director of Parent

Melbourne, 7 February 2018

# Statement of Comprehensive Income

for the financial period ended 31 December 2017

|   | Note | December<br>2017<br>\$000 | December<br>2016<br>\$000 |
|---|------|---------------------------|---------------------------|
| <b>Investment income / (expense)</b>                              |      |                           |                           |
| Net fair value gain/(loss) on revaluation of loan to MG Sub Trust | 4    | 43,520                    | (32,672)                  |
| Distribution income   | 4    | -                         | 8,013                     |
| <b>Finance (costs) / income</b>                                   |      |                           |                           |
| Net change in fair value of liability to unitholders              | 5    | (43,520)                  | 32,672                    |
| Distributions to unitholders                                      | 5    | -                         | (8,013)                   |
| Profit (loss) before income tax                                   |      | -                         | -                         |
| Income tax expense  |      | -                         | -                         |
| <b>Profit (loss) for the period</b>                               |      | -                         | -                         |
| Other comprehensive income  |      | -                         | -                         |
| <b>Total comprehensive income for the period</b>                  |      | -                         | -                         |

The accompanying notes form part of these financial statements.

# Statement of Financial Position

as at 31 December 2017

|  | Note | December<br>2017<br>\$000 | June<br>2017<br>\$000 | December<br>2016<br>\$000 |
|--|------|---------------------------|-----------------------|---------------------------|
| <b>Assets</b>  |      |                           |                       |                           |
| Financial asset held at fair value through profit or loss - loan to MG Sub Trust | 6    | 175,893                   | 132,316               | 188,540                   |
| <b>Total assets</b>  |      | <b>175,893</b>            | <b>132,316</b>        | <b>188,540</b>            |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b>      |      |                           |                       |                           |
|  |      | -                         | -                     | -                         |
| <b>Net assets attributable to unitholders - liability</b>                        |      | <b>175,893</b>            | <b>132,316</b>        | <b>188,540</b>            |

The accompanying notes form part of these financial statements.



# Statement of Changes in Equity

as at 31 December 2017

Equity attributable to unitholders  
\$000

|   |          |
|---|----------|
| Profit for the period                     | -        |
| Other comprehensive income for the period | -        |
| <b>Balance at 31 December 2016</b>        | <b>-</b> |
| <b>Balance at 1 July 2017</b>             | <b>-</b> |
| Profit for the period                     | -        |
| Other comprehensive income for the period | -        |
| <b>Balance at 31 December 2017</b>        | <b>-</b> |

The accompanying notes form part of these financial statements.

# Statement of Cash Flows

for the financial period ended 31 December 2017

|   | December<br>2017<br>\$000 | December<br>2016<br>\$000 |
|---|---------------------------|---------------------------|
| Cash flows from operating activities                |                           |                           |
| Net cash inflow (outflow) from operating activities | -                         | -                         |
| Cash flows from investing activities                |                           |                           |
| Net cash inflow (outflow) from investing activities | -                         | -                         |
| Cash flows from financing activities                |                           |                           |
| Net cash outflow from financing activities          | -                         | -                         |
| Net increase (decrease) in cash                     | -                         | -                         |
| <b>Cash at the end of the period</b>                | <b>-</b>                  | <b>-</b>                  |
| Reconciliation to cash                              |                           |                           |
| Cash at bank and cash on hand                       | -                         | -                         |
| <b>Cash at the end of the period</b>                | <b>-</b>                  | <b>-</b>                  |

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

for the financial period ended 31 December 2017

## 1: General information

These interim financial statements cover MG Unit Trust (the Scheme) as an individual entity. The Scheme was registered as a Managed Investment Scheme on 28 May 2015. The Scheme is a wholly owned and controlled subsidiary of its ultimate parent entity, Murray Goulburn Co-operative Co. Limited (Murray Goulburn).

In 2015, Murray Goulburn Co-operative Co. Limited (Murray Goulburn) undertook a capital restructure that involved the establishment of the Scheme, a special purpose funding vehicle listed on the ASX. The responsible entity of the Scheme is MG Responsible Entity Limited (Responsible Entity), a wholly owned subsidiary of Murray Goulburn. The board of the Responsible Entity is the same as the Board of Murray Goulburn.

The funds raised by the Scheme from external investors in an initial public offering of units undertaken in July 2015 were invested into Murray Goulburn through Notes issued by Murray Goulburn. Subsequent to the Scheme listing on the ASX, the Scheme acquired Convertible Preference Shares (CPS) issued by Murray Goulburn as a consequence of the operation of Murray Goulburn's Shareholder Trading Platform. The Notes and CPS each, as far as possible, carry the same economic rights as Murray Goulburn ordinary shares.

Unitholders are entitled to receive distributions equivalent to any dividends paid to shareholders in Murray Goulburn. Dividends on shares, and therefore distributions on units, are determined by the Board of Murray Goulburn in accordance with the Profit Sharing Mechanism outlined in Section 6 of the Product Disclosure Statement (PDS) dated 29 May 2015.

The Responsible Entity's registered office is Freshwater Place, Level 15, 2 Southbank Boulevard, Southbank VIC 3006. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2: Summary of Significant Accounting Policies

### A) BASIS OF PREPARATION

This interim financial report:

- has been prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting;
- does not include all of the notes that might normally be included in an annual financial report;
- has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated;
- is presented in Australian dollars;
- adopts those accounting policies adopted by the Scheme's ultimate parent entity, Murray Goulburn Co-operative Co. Limited (the Scheme is a wholly owned and controlled subsidiary) which are relevant to the Scheme's operations. The parent's accounting policies are set out in Murray Goulburn Co-operative Co. Limited's annual financial report for the year ended 30 June 2017 which is available on that entity's web site. Accounting policies specific to the Scheme are set out in the Scheme's annual financial report for the year ended 30 June 2017 which is also available on the Murray Goulburn Co-operative Co. Limited website;
- were authorised for issue by the directors of the Responsible Entity on 7 February 2018.

### B) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

#### **AASB 9 Financial Instruments**

AASB 9, issued by the Australian Accounting Standards Board (AASB), applicable from 1 January 2018 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors have elected to early adopt AASB 9, however this decision does not impact on the recognition and measurement of the Scheme's financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Scheme does not apply hedge accounting. AASB 9 introduces a new impairment model, however, as the Scheme's investments are all held at fair value through profit or loss, the change in impairment rules does not impact the Scheme.

#### **AASB 15 Revenue from Contracts with Customers**

AASB 15, issued by the Australian Accounting Standards Board (AASB) is applicable from 1 January 2018 with early adoption permitted. The introduction of this standard is currently not expected to have any material impact upon the preparation of the Scheme's financial reports. The scheme has not elected to early adopt this standard.

## 2: Summary of Significant Accounting Policies (continued)

### C) GOING CONCERN

These financial statements reflect the circumstances of the Scheme as they exist at 31 December 2017, and have been prepared on a going concern basis.

If the Saputo transaction is completed, Murray Goulburn Co-operative Co. Limited (MG) will have only limited operations including management of any potential exposures to the retained litigation. Once the retained litigation is concluded, the current intention is that any remaining sale proceeds would be distributed to shareholders and unitholders and MG, including the Scheme, would be wound up. As a result of the intention to wind up MG, including the Scheme, there is material uncertainty as to MG and the Scheme continuing as a going concern. However, the Directors consider that in the interim period until any winding up MG and the Scheme will have sufficient retained sale proceeds such that it is able to pay its debts as and when they fall due.

If the Saputo transaction does not proceed, and in the absence of an alternate transaction, MG may not be able to pay a competitive farmgate milk price. Further losses of milk flow may trigger an impairment to MG's assets that could breach MG's banking covenants and result in potential withdrawal of creditors' support and an increased risk to MG's ability to refinance its expiring debt facilities. In these circumstances, MG may not be able to renew facilities due to expire within 2 years and would need to consider the sale of certain assets in order to generate sufficient proceeds to fund its debt repayments. MG would also continue with cost saving initiatives underway and would pursue the refinancing of required maturing facilities. This creates a material uncertainty that may cast significant doubt about MG's and the Scheme's ability to continue as a going concern, and therefore, that they may be unable to realise their assets and discharge their liabilities in the normal course of business.

Subject to any material change in circumstances, the Directors continue to be of the view that MG and the Scheme can and will be able to pay its debts as and when they fall due, for at least 12 months from the date of these interim financial statements.

### 3: Earnings per unit

|  | December<br>2017 | December<br>2016 |
|--|------------------|------------------|
| Basic and diluted earnings per unit attributable to unitholders of the Scheme (\$) | -                | -                |
| Earnings attributable to unitholders of the Scheme (\$ million)                    | -                | -                |
| Weighted average number of units (thousands of units)                              | 204,823          | 204,632          |

Basic earnings per unit is calculated by dividing the profit or loss attributable to unitholders of the Scheme by the weighted average number of units outstanding during the period.

Diluted earnings per unit is determined by adjusting the profit or loss attributable to unitholders of the Scheme and the weighted average number of Scheme units outstanding for the effects of all Scheme units with dilutive potential. There were no Scheme units with dilutive potential for the period presented.

### 4: Investment income / (expense)

|   | December<br>2017<br>\$000 | December<br>2016<br>\$000 |
|---|---------------------------|---------------------------|
| Net fair value gain/(loss) on revaluation of loan to MG Sub Trust | 43,520                    | (32,672)                  |
| Distribution income   | -                         | 8,013                     |
| <b>Total finance income / (costs)</b>                             | <b>43,520</b>             | <b>(24,659)</b>           |

### 5: Finance (costs) / income

|  | December<br>2017<br>\$000 | December<br>2016<br>\$000 |
|--|---------------------------|---------------------------|
| Net change in fair value of liability to unitholders | (43,520)                  | 32,672                    |
| Distribution expense                                 | -                         | (8,013)                   |
| <b>Total investment (expense) / income</b>           | <b>(43,520)</b>           | <b>24,659</b>             |

#### Net change in fair value of liability to unitholders

Amounts owed to unitholders are recorded at fair value through profit or loss. An unrealised loss was recognised when the amount owed was fair valued as at balance date.

## 6: Financial asset held at fair value through profit or loss - loan to MG Sub Trust

|  | December<br>2017<br>\$000 | June<br>2017<br>\$000 | December<br>2016<br>\$000 |
|--|---------------------------|-----------------------|---------------------------|
| Financial asset held at fair value through profit or loss - loan to MG Sub Trust | 175,893                   | 132,316               | 188,540                   |

The related party loan is receivable from the MG Sub Trust. The ultimate parent of both the Scheme and MG Sub Trust is Murray Goulburn Co-operative Co. Limited.

## 7: Fair value measurement of financial instruments

AASB 13 requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

- a. quoted prices in active markets for identical assets and liabilities (Level 1).
- b. inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2).
- c. inputs for the asset or liability that are not based on observable market data (Level 3).

The following table presents financial assets and liabilities at fair value:

|   | Level 1<br>\$000 | Level 2<br>\$000 | Level 3<br>\$000 | Total<br>\$000 |
|---|------------------|------------------|------------------|----------------|
| <b>At 31 December 2017</b>                                  |                  |                  |                  |                |
| Assets  |                  |                  |                  |                |
| Financial asset held at fair value through profit or loss:  |                  |                  |                  |                |
| - loan to MG Sub Trust                                      | -                | 175,893          | -                | 175,893        |
| Liabilities   |                  |                  |                  |                |
| Financial liabilities at fair value through profit or loss: |                  |                  |                  |                |
| - amounts due to unitholders                                | -                | 175,893          | -                | 175,893        |
| <b>At 30 June 2017</b>                                      |                  |                  |                  |                |
| Assets  |                  |                  |                  |                |
| Financial asset held at fair value through profit or loss:  |                  |                  |                  |                |
| - loan to MG Sub Trust                                      | -                | 132,316          | -                | 132,316        |
| Liabilities   |                  |                  |                  |                |
| Financial liabilities at fair value through profit or loss: |                  |                  |                  |                |
| - amounts due to unitholders                                | -                | 132,316          | -                | 132,316        |
| <b>At 31 December 2016</b>                                  |                  |                  |                  |                |
| Assets  |                  |                  |                  |                |
| Financial asset held at fair value through profit or loss:  |                  |                  |                  |                |
| - loan to MG Sub Trust                                      | -                | 188,540          | -                | 188,540        |
| Liabilities   |                  |                  |                  |                |
| Financial liabilities at fair value through profit or loss: |                  |                  |                  |                |
| - amounts due to unitholders                                | -                | 188,540          | -                | 188,540        |

There were no transfers between Levels 1, 2 and 3 during the period ended 31 December 2017.

The fair value of the loan receivable represents the cash flows that MG Unit Trust expects to receive in principal and dividend streams from the MG Sub Trust. This fair value that has been used is the value of the MG Unit Trust quoted on the ASX at 31 December 2017. In turn, the value of the liability due to unitholders is driven by the value of the loan receivable as this represents the value that the unitholders are entitled to. Given that both asset and liability reference quoted prices, they have both been classified as level 2.

## 8: Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme in financial years subsequent to the period ended 31 December 2017.

For information regarding Murray Goulburn Co-operative Co. Limited's events subsequent to balance date, please refer to note 13 of that entity's annual financial report for the period ended 31 December 2017, available on Murray Goulburn Co-operative Co. Limited's web site.

## 9: Contingent liabilities

Other than the matters referred to below, there are no other matters giving rise to material contingent liabilities.

### ***Class Action***

On 17 May 2016, Murray Goulburn Co-operative Co. Limited (MG) and MG Responsible Entity Limited, as responsible entity of the MG Unit Trust (MG RE), were notified that a class action proceeding had been filed against them and a number of current and former directors in the Supreme Court of Victoria. The class action was transferred to the Federal Court in May 2017.

The statement of claim (Claim) alleges contraventions of the Corporations Act through allegedly misleading or deceptive statements made in a Product Disclosure Statement issued on 29 May 2015 (PDS) and in subsequent market announcements, alleged continuous disclosure contraventions and other alleged breaches of duty. The proceeding is brought by the lead plaintiff on behalf of unitholders who purchased units pursuant to the PDS and/or in the period from 3 July 2015 to 2 May 2017 and who held any of those units at the commencement of trading on specified dates. The companies are vigorously defending the proceedings.

### ***ACCC Proceeding***

The Australian Competition and Consumer Commission (ACCC) commenced legal proceedings on 28 April 2016 against MG in relation to potential breaches of the Competition and Consumer Act. The ACCC has confirmed that it is not seeking a pecuniary penalty against the company. The proceeding has been set down for trial on 17 September 2018.

## Directors' Declaration

MG Responsible Entity Limited presents the Directors' Declaration in respect of MG Unit Trust (the 'Scheme'):

In accordance with a resolution of the Directors of MG Responsible Entity Limited we state that, in the opinion of the Directors:

- a) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable;
- b) The attached financial statements and Notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards; and
- c) The attached financial statements and Notes thereto give a true and fair view of the Scheme's financial position as at 31 December 2017 and performance for the financial period ended on that date.

This declaration is made in accordance with a resolution of the Directors of MG Responsible Entity Limited.



J Spark  
Chairman of Parent



A Mervis  
Chief Executive Officer and Managing Director of Parent

Melbourne  
7 February 2018



## Auditor's Independence Declaration

As lead auditor for the review of MG Unit Trust for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'Lisa Harker'.

Lisa Harker  
Partner  
PricewaterhouseCoopers

Melbourne  
7 February 2018

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.





## **Independent auditor's review report to the unit holders of MG Unit Trust**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of MG Unit Trust (the registered scheme), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

### ***Directors' responsibility for the half-year financial report***

The directors of MG Responsible Entity Limited (the responsible entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MG Unit Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MG Unit Trust is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the registered scheme's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Material uncertainty related to going concern*

We draw attention to Note 2C: *Summary of significant accounting policies, Going concern* in the financial report, which explains MG Unit Trust's use of the going concern assumption. The matters set forth in note 2C indicate that, should Murray Goulburn Co-operative Co. Limited (MG) sell its operating assets and liabilities as per the binding sale agreement between MG and Saputo Dairy Australia Pty Ltd, MG intends to manage potential exposure to retained litigation and once concluded, MG, including MG Unit Trust, will be wound up. Note 2C also describes the risks to MG, including MG Unit Trust, should the sale to Saputo Dairy Australia Pty Ltd not occur. These matters create a material uncertainty that may cast doubt on MG Unit Trust's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



PricewaterhouseCoopers



Lisa Harker  
Partner

Melbourne  
7 February 2018