

INDEPENDENT AUDITOR'S REPORT
TO THE POOL PARTICIPANTS IN THE FXG GROUP – FLEXI GRAIN
POOLS – 2016 SEASON

Report on the audit of the financial reports relating to the 2016 Season FXG Group Unit Trust (Pool Provider) and Flexigrain Pty Ltd (as Pool Manager) - Grain Marketing Pools Conducted by FXG Group Ltd for and on behalf of Growers. The Pools comprising AGP FLEXI 10-W, APW FLEXI 10-W, ASW FLEXI 10-W, AUH2 FLEXI 10-W, F1 FLEXI 10-B, F2 FLEXI 10-B, FEED 1 FLEXI 10-W, FX FLEXI 10-B, GA1 FLEXI 10-B, H1 FLEXI 10-W, H2 FLEXI 10-W, HINDBT FLEXI 10-B, HIND FLEXI 10-B, LAT FLEXI 10-B, LABT FLEXI 10-B, SCOPE 1 FLEXI 10, CAN 10

Scope

We have audited the financial reports and activity of the FXG Group Unit Trust (The Pool Provider), which shows the statement of financial position of each pool for the 2016 Season ending 31st October, 2017. Comprising a statement of cash flows on an individual pool basis and statement of position of each pool as at the season then ended, and notes to these statements, including a statement of pool governance, and the Pool Managers declaration.

The audit has been conducted under the requirements of the Australian Grain Industry Code of Practice and the code of practice dated July, 2013 which requires an audit of the Pool Provider and its activities and conduct at the conclusion of each season. The operating standards and code of conduct for Pool Providers and Pool Managers have been substantially revised in September 2017.

Independence and Quality Control

We have applied and complied with the relevant ethical requirements relating to audits and audit engagements, which include independence and other requirements based on fundamental principles including objectivity, integrity, professional competence and due care and diligence, confidentiality of grower information and professional behavior.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia.

Auditors responsibilities

It is not the role or responsibility of the auditor to comment on the performance or outcome of the pools managed by the pool provider but to examine the operation, manner and methodology in which the pools were conducted and to establish if the pool provider has complied with the requirements as now defined in the GTA Technical Guide Document (TGD) as published.

Our objectives are to obtain reasonable assurance about whether the financial statements are as a whole free from material misstatement whether due to fraud and error, and if the pool has been conducted in accordance with best practice and guidelines, and to issue an auditor's report that includes our opinion on that basis. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Our responsibility is to express an opinion on the representation based on the procedures and enquiries we have made and the evidence we have obtained.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Standard on Assurance Engagements - ASAE 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) issued by the Auditing and Assurance Standards Board.

The objectives of that standard and the engagement is to,

(a) To obtain either reasonable assurance or limited assurance, as appropriate, about whether the subject matter information is free from material misstatement

(b) To express a conclusion regarding the outcome of the measurement or evaluation of the underlying subject matter through a written report that conveys either a reasonable assurance or a limited assurance conclusion and describes the basis for the conclusion.

A further description of our responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <<http://www.auasb.gov.au/Home.aspx>>. The descriptions and responsibilities comprising the Operating Standards for Pool Providers can be found at the Grain Trade Australia website <http://www.graintrade.org.au>. These descriptions form part of our auditor's report.

Responsibilities of the directors for the pool financial statements and management

The director/s of the Pool Provider Company and the Director/s and employees of the Pool Manager Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the *Corporations Act 2001* and the GTA Operating Standards and for such internal control as the director/s and employees determine is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible ensuring the disposition of the Grain pools to a nominated completion of each and every pool. At the conclusion of the pool the director/s must ensure all the pool assets have been realised and allocated in accordance with the pools operating standards. In this situation the director/s are not required to give assurances on a going concern basis as the Pool/s have been terminated as of a particular date

Auditors Opinion

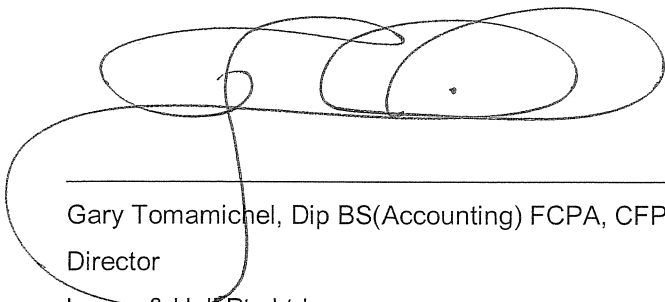
In our opinion, the accompanying financial report of FXG Group Unit Trust, is in accordance with the Australian Accounting Standards for reporting on this type of entity including:

- a) giving a true and fair presentation in all material respects of the entity's financial information for the 2016 season ending on 31st October, 2017, and of its financial information for the season then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001 where applicable, and
- c) complying with the operating standards of the Australian Grain Industry – Code of Practice and Operating Standards for Pool Providers (July 2013 issue).

Intended Users and Purpose of Audit Report

The audit report is prepared in accordance with Standard procedures and guidelines intended for the purpose of supplying to a particular body, organisations or user. The intended user for which this audit report is prepared is the Trustee of the FXG Group Unit Trust (Pool Provider), the Industry Association who by regulation require it and the Pool Participants themselves of the pools listed on page 1 of this report. We disclaim any assumption of liability or responsibility for any other purpose other than to whom and for which it was prepared.

Dated This 13th day of March, 2018

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke, positioned above a horizontal line.

Gary Tomamichel, Dip BS(Accounting) FCPA, CFP, FPA

Director

Logan & Hall Pty Ltd

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