

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
A.C.N. 004 063 263

FINANCIAL RETURN
FOR THE YEAR ENDED 30 JUNE 2008

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THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
A.C.N. 004 063 263

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Operating Revenue	4	795,519	355,054
Cost of Sales		67,589	87,582
		<hr/>	
Gross Profit		727,930	267,472
Other Revenues from Ordinary Activities	4	258,152	382,546
National Development Expenses		(79,927)	(122,781)
Training Expenses		(60,814)	(61,228)
Occupancy Expenses		(17,958)	(18,316)
Employee Expenses		(679,454)	(601,936)
Administration Expenses		(232,530)	(353,373)
Depreciation and Amortisation Expense		(26,627)	(10,757)
Other Expenses from Ordinary Activities		(189,163)	(77,117)
Proceeds from Sale of Investments / Assets	5	1,049,038	1,505,682
Carrying Amount of Assets Sold	5	(943,148)	(1,093,609)
Grant Expenses Recovered	6	19,433	55,401
		<hr/>	
Profit from Ordinary Activities before Income Tax Expense		(175,068)	(128,016)
Income Tax relating to Ordinary Activities	8	-	-
		<hr/>	
Net Profit from Ordinary Activities after Income Tax Expense attributable to Members of the Company		(175,068)	(128,016)
		<hr/>	
Total Changes in Association Membership Funds		(175,068)	(128,016)

The accompanying notes form part of these accounts

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
A.C.N. 004 063 263

BALANCE SHEET
AS AT 30 JUNE 2008

	NOTE	2008 \$	2007 \$
CURRENT ASSETS			
Cash		134,413	69,842
Receivables	9	121,276	171,000
Total Current Assets		<u>255,689</u>	<u>240,842</u>
NON CURRENT ASSETS			
Investments	10	2,507,285	2,913,825
Property, Plant & Equipment	11	1,320,734	1,319,168
Intangible Assets	12	21,915	24,350
Training Strategy	13	153,937	-
Total Non Current Assets		<u>4,003,871</u>	<u>4,257,343</u>
TOTAL ASSETS		<u>4,259,560</u>	<u>4,498,185</u>
CURRENT LIABILITIES			
Creditors & Borrowings	14	121,105	157,855
Provisions	15	33,416	11,417
Special Purpose Projects	16	89,875	-
Total Current Liabilities		<u>244,396</u>	<u>169,272</u>
NON CURRENT LIABILITIES			
Special Purpose Grants	6	-	138,681
Total Non Current Liabilities		<u>-</u>	<u>138,681</u>
TOTAL LIABILITIES		<u>244,396</u>	<u>307,953</u>
NET ASSETS		<u>4,015,164</u>	<u>4,190,232</u>
<i>Represented by:</i>			
ASSOCIATION MEMBERSHIP FUNDS			
Accumulated Funds	17	4,015,164	4,190,232
TOTAL MEMBERSHIP FUNDS		<u>4,015,164</u>	<u>4,190,232</u>

The accompanying notes form part of these accounts

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
A.C.N. 004 063 263

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from Members	552,963	234,507
Receipts from Training programmes	104,826	50,843
Receipts from Advertising	94,228	56,652
Government Grants Received	-	259,900
Receipts Other	-	127
Dividend & Trust Income Received	157,685	202,878
Interest Received	32,420	24,728
Rents Received	68,047	116,708
Payments to suppliers and employees	(1,432,271)	(1,315,503)
Net Cash Provided by (used in) Operating Activities	<u>(422,102)</u>	<u>(369,160)</u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Proceeds from sale of investments	1,049,039	1,456,721
Proceeds from sale of plant & equipment	-	22,746
Payments for plant and equipment	(25,758)	(94,681)
Payments for investments	(536,608)	(1,284,961)
Net Cash Provided by (used in) Investment Activities	<u>486,673</u>	<u>99,825</u>
NET INCREASE / (DECREASE) IN CASH HELD	<u>64,571</u>	<u>(269,335)</u>
CASH AS AT START OF FINANCIAL YEAR	<u>69,842</u>	<u>339,177</u>
CASH AS AT END OF FINANCIAL YEAR	<u><u>134,413</u></u>	<u><u>69,842</u></u>
 (a) Reconciliation of Operating Profit after income tax to net cash provided by (used in) operating activities:		
Operating Profit / (Loss) after income tax	(175,068)	(128,016)
Non-cash flows in operating profit:-		
(Profit) / Loss on sale of investments	(105,891)	(410,494)
(Profit) / Loss on sale of plant & equipment	-	(1,580)
Depreciation and amortisation	26,627	10,757
Change in assets and liabilities:		
(Increase) / Decrease		
- Trade Debtors	(42,976)	(12,925)
- Sundry Debtors, Prepayments & Receivables	(61,237)	(30,503)
- Intangible Assets	-	(24,350)
(Decrease) / Increase		
- Trade Creditors & Accruals	(36,750)	149,655
- Employee Provisions	21,999	(60,385)
- Special Purpose Grants	(48,806)	138,681
Net cash provided by operating activities	<u>(422,102)</u>	<u>(369,160)</u>

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
A.C.N. 004 063 263

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

The financial statements are a general purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), Schedule 1B of the *Workplace Relations Act 1996* and the Industrial Registrar's Reporting Guidelines. Accounting standards include Australian equivalents to International Financial Reporting Standards. The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. The accounting policies have been consistently applied unless otherwise stated.

The following is a summary of material accounting policies adopted by the economic entity in the preparation of the financial statements.

(a) Depreciation

Depreciation on Plant & Equipment has been provided in the accounts using either the reducing balance of depreciation or prime cost depreciation at various fixed rates appropriate to the estimated effective lives.

(b) Employee entitlements

Provision is made for benefits accruing to employees at current pay rates in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

(c) Investments

Investments in listed and unlisted shares are carried at cost. On an annual basis the company assess if there has been any impairment in relation to its investments. If an impairment event is detected the carrying value of the investment is determined by reference to the net assets or the net realisable value of the investment. Any deficiency is accounted for as an impairment loss.

(c) Receipt of Grant Funding

Grants received are reconciled against the cost of providing services particular to the objective of each Grant. The component of funding not yet expensed is shown as a non current liability.

NOTE 2 INFORMATION TO BE PROVIDED TO MEMBERS

In accordance with the requirements of the *Workplace Relations Act 1996* the attention of members of the Master Grocers' Association of Victoria Limited is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which reads as follows:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 2 INFORMATION TO BE PROVIDED TO MEMBERS (cont'd)

- (4) A Registrar may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the Registrar must provide to a member information received because of an application made at the request of the member;
- (5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections.
- (6) Without limiting the information that may be prescribed under subsection (1), the information prescribed must include details of any fees paid by the reporting unit for payroll deduction services provided by a person who is an employer of:
 - (a) the member making the application for information; or
 - (b) the member at whose request the application was made.

	2008	2007
	\$	\$
NOTE 3 DIRECTORS EMOLUMENTS		
Total emoluments excluding amounts in respect of fixed salaries as employees received or due and received from the Company		
(i) Directors engaged in the full time employment of the Company	NIL	NIL
(ii) Other Directors of the Company - Fees/Allowance for attendance as representatives at meetings received by directors of the company		
- Current Year	59,600	61,875
- Underprovision for Last Year	-	-
	59,600	61,875

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 4 REVENUE FROM ORDINARY ACTIVITIES		
Operating Revenue		
Subscriptions	481,341	217,627
Magazine Income	94,228	56,652
Food Safety Workshop	15,115	8,355
OHS Training	53,520	26,059
MGAV Agreement and Fees for Service	114,800	29,932
RSA Workshop	20,941	16,429
Other related income	15,574	
	<u>795,519</u>	<u>355,054</u>
Other Operating Revenue		
Interest	32,420	34,728
Dividends	116,386	87,645
Trust Distributions	40,828	143,036
Rental income	68,047	116,708
Other Income	471	429
	<u>258,152</u>	<u>382,546</u>

NOTE 5 PROFIT FROM ORDINARY ACTIVITIES

(a) Profit from Ordinary Activities has been determined after the following items:

Auditors' Remuneration		
- Audit of the Accounts	7,500	8,200
- Other Services	-	-
Bad Debts	4,257	11,144
Depreciation	24,192	10,757
Amortisation	2,435	-
Annual fee for affiliation with:		
- Political Parties	-	-
- A.R.A.V.	-	-
- International Bodies	-	-
Donations	-	-
Benefits to Holders of Office	59,600	61,875
Benefits to Employees (other than Holders of Office)	679,454	600,629
Legal Cost	4,506	43,039
Transfers to Provisions for Annual Leave	21,998	(41,245)
Transfers to Provisions for Long Service Leave	-	(19,140)

(b) Specific Net Gains and (Losses):

Proceeds from Sale of Investments	1,049,038	1,503,882
Carrying Amount of Investments Sold	943,148	1,093,389
Profit on Sale of Investments	<u>105,890</u>	<u>410,493</u>
Proceeds from Sale of Plant & Equipment	-	1,800
Carrying Amount of Plant & Equipment Sold	-	220
Profit/(Loss) on Sale of Plant & Equipment	<u>-</u>	<u>1,580</u>

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
NOTE 6 SPECIAL PURPOSE GRANTS		
(i) Packaged Liquor Industry Development Trust Fund (PLIDTF)		
Opening balance	134,368	-
<i>Add:</i>		
Funding received during year	-	220,500
<i>Less:</i>		
Directly Attributable Costs	(69,056)	(37,128)
Grant Expenses Recovered	(15,312)	(49,004)
Funding Allocated to Training Strategy	(50,000)	
	-	134,368
	-	134,368
(ii) Department of Innovation, Industry and Regional Development (DIIRD)		
Opening balance	4,313	-
<i>Add:</i>		
Funding received during year	-	
Directly Attributable Costs exceeding Grant Funds	8,742	39,400
<i>Less:</i>		
Directly Attributable Costs	(8,933)	(28,690)
Grant Expenses Recovered	(4,122)	(6,397)
	-	4,313
	-	4,313
Total Grants Carried Forward	-	138,681
	-	138,681

NOTE 7 DIVIDENDS POLICY

No Dividends were paid during the financial year or are proposed to be paid.

NOTE 8 INCOME TAX

The company is income tax exempt effective from a Private Ruling date of 18th July 2003

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 9 RECEIVABLES		
<i>Current</i>		
Trade Debtors	96,056	58,130
Less: Provision Doubtful Debts	(6,350)	(11,400)
Accrued Income	16,576	59,602
Withholding Tax Paid	-	1,572
Sundry Debtors & prepayments	14,994	63,096
	<u>121,276</u>	<u>171,000</u>
 <i>Non Current</i>		
	<u>-</u>	<u>-</u>

NOTE 10 INVESTMENTS

Non Current

Shares in other corporations not listed on a prescribed stock exchange

Shares in related corporations

* At cost

Shares in listed corporations

* At cost

1,979,715 1,926,309

(Market Value at 30.6.08 \$2,596,069)

Units in listed managed funds

* At cost

285,000 630,144

(Market Value at 30.6.08 \$248,288)

Units in listed property trusts

* At cost

242,570 357,372

(Market Value at 30.6.08 \$188,195)

2,507,285 2,913,825

NOTE 11 PROPERTY, PLANT AND EQUIPMENT

Property:

Suites 4, 5 & 9 / 1 Milton Pde, Malvern

1,219,562 1,219,562

Plant and equipment at cost

194,024 168,266

Less accumulated depreciation

(92,852) (68,660)

1,320,734 1,319,168

The properties at Malvern were valued independently as at 6 September 2007 by Antony Coady & Associates Pty Ltd at a market value of \$2,005,000.

NOTE 12 INTANGIBLE ASSETS

Corporate Branding

24,350 24,350

Less: accumulated amortisation

(2,435) -

21,915 24,350

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 13 TRAINING STRATEGY		
Invested during the year in Compliance Management Systems:		
- Directly Attributable Costs	97,647	
- Employee Expenses Recovered	106,290	
<i>Less:</i>		
- Funding allocated from PLIDTF	(50,000)	
	153,937	-
	153,937	-
 NOTE 14 CREDITORS AND BORROWINGS		
<i>Current</i>		
Trade Creditors	46,491	111,382
Sundry Creditors & Accruals	68,119	43,350
Credit Card	6,495	3,123
	121,105	157,855
	121,105	157,855
 NOTE 15 PROVISIONS		
<i>Current</i>		
Employee Entitlements - Provision for Annual Leave	33,416	11,417
	33,416	11,417
	33,416	11,417
 NOTE 16 SPECIAL PURPOSE PROJECTS		
(i) Planning Review Committee (PRC)		
MGA commitment to PRC	40,000	
<i>Add:</i>		
Funding received from co-contributors during the year	80,000	
<i>Less:</i>		
Project costs expensed during year	(30,125)	
	89,875	-
	89,875	-

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 17 ACCUMULATED FUNDS		
Balance at the beginning of the financial year	4,190,232	4,318,248
Net Profit attributable to Members	(175,068)	(128,016)
Total Available for Appropriation	4,015,164	4,190,232
Dividends provided for or paid	-	-
Balance at the end of the financial year	<u>4,015,164</u>	<u>4,190,232</u>

NOTE 18 RELATED PARTY TRANSACTIONS

(a) The names of the Directors during this financial year were:

ALLEN, Rodney Frederick
COWLEY, Jean
DALY, Michael Andrew
DE SAUTY, Robert Edward
GARRETT, Leigh

MILLER, Stephen Andrew
SMITH, Deborah May
BUCELLO, Sandra
CHEN, Hua Guo

Emoluments due to the Directors for the 2008 financial year were as follows:

Mr. R. Allen received remuneration, being President Allowance from the company, of \$5,000
Mr. R. Allen, Ms. J. Cowley, Mr. S. Miller, Mr. M. Daly, Mr. R. De Sauty, and Ms. D. Smith received remuneration, being director fees, from the Company of \$7,500 respectively
Mr. H. Chen received remuneration, being director fees, from the Company of \$4,245.
Ms. S. Bucello received remuneration, being director fees, from the Company of \$2,100.
Mr. L. Garrett received remuneration, being director fees, from the Company of \$3,255.
Travel costs paid on behalf of and/or reimbursed by the Company for Ms. D. Smith was \$8,594.
Mr. M. Daly received remuneration from the Company of \$1,624 as travel and mileage reimbursements.
Ms. S. Bucello received remuneration from the Company of \$177 as mileage reimbursements.
Mr. L. Garrett received remuneration from the Company of \$2,676 as travel reimbursements.

(b) There were no other material transactions between related parties.

NOTE 19 MEMBERS GUARANTEE

The Company is limited by guarantee. If the company is wound up, the Constitution of the Company states that each member is required to contribute a maximum amount not exceeding one year's subscription towards meeting any outstanding obligations of the Company. At 30 June 2008, there were 1,098 members and 18 associate members.

NOTE 20 ECONOMIC DEPENDENCY

There is no economic dependency on another reporting unit.

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
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COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

On *October* the *3rd* 2008 the Committee of Management of The Master Grocers' Association of Victoria Limited passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2008:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (v) No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For Committee of Management:



Title of Office held: *DIRECTOR*

DATED this *3rd* day of *October* 2008.

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
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OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008

The Directors of The Master Grocers' Association of Victoria Limited present their report to the members on the results of the Company for the financial year ended 30 June 2008 and on the state of affairs of the Company as at that date

The following Directors are members of the Committee of Management at the date of this report.

ALLEN, Rodney	President	GARRETT, Leigh	Director
COWLEY, Jean	Director	MILLER, Stephen	Vice President
DALY, Michael	Director	SMITH, Deborah	Director
DE SAUTY, Robert	Director		

PRINCIPAL ACTIVITY

The Master Grocers' Association of Victoria Limited is an Industry Association representing independently owned food store operators, negotiating at all levels to promote and to protect the status and interest of its members.

The Master Grocers' Association of Victoria Limited has its own Consent Awards negotiated with the trade unions on behalf of the members.

The Company publishes 8 editions of its magazine per year and provides a comprehensive industrial relations advice service to its members. The Company also provides a training program for its members and a widespread series of valuable store assistance programs presented at store level.

OPERATING RESULTS

The net loss of the Company for the year is \$175,068.

DIVIDENDS

The Directors do not recommend the payment of any dividend. No dividends have been paid or provided for since the end of the previous financial year.

NUMBER OF MEMBERS

As at year end there were 1,098 members and 18 associate members.

NUMBER OF EMPLOYEES

As at year end the number of employees was 10 full time and 3 part time.

REVIEW OF OPERATIONS

This year the Company (MGA) continued to engage in its national growth strategy aimed at satisfying interstate independent supermarkets requests for a national industry body to provide their businesses with support and service in the areas of Workplace Relations, Workplace Agreement Making, Training, Industry Representation and Networking Opportunities.

The Company enjoyed full IGA and Foodworks membership in Victoria, Southern NSW, greater NSW as well as IGA Western Australia. New members have joined the MGA from Tasmania and the Northern Territory.

The Liquor Stores Association of Western Australia has engaged the MGA to be its Workplace Relations Provider. The Company has invested significantly in infrastructure and staff to support the ever increasing national demands on our Company's services.

The Company is currently reviewing its constitution to broaden its scope to accommodate the needs of a national membership base.

IGA and Foodworks supermarkets are represented on the Company Board. The MGA continues to grow its relationships with the marketing boards in each state and is appreciative of their support.

The Company welcomed its very first Western Australian representative on the Board, supermarket owner, Leigh Garrett.

The MGA has been well represented on a number of State and National committees and advisory groups namely:
Jos de Bruin - the national boards of the National Association of Retail Grocers Australia and the Australian Liquor Stores Association, The Victorian Retail Planning Policy Review Committee, The Produce and Grocery Industry Code Committee.
Sandy Bucello - The Victorian Small Business Advisory Committee, appointed by the Minister for Small Business

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OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008

Marie Brown - Occupational Health and Safety - The State Representative Group
Jennifer Flanagan - The OH&S Advisory Committee, appointed by the Minister for Workcover representing small businesses (supermarkets) in Victoria, The Liquor Licensing Advisory Council, appointed by the Minister for Consumer Affairs.

All MGA representatives have represented our industry in an exemplary manner with the utmost of integrity.

The Year in Review

The focus of the Company in the past year has been to consolidate the new and existing membership base in Victoria, NSW and WA by exceeding member expectations in the areas of Workplace Relations, Compliance Training, Industry Communication and Industry Representation.

The Company established relationships with key industry stakeholders in SA, TAS, NT and QLD as part of its future membership growth strategy. Relationships with existing stakeholders - Brands, wholesalers, suppliers and boards have been strengthened.

The year commenced with the MGA launching its new highly recognisable industry logo and colours. Marketing and promotion of the MGA were two very important and insightful elements, as uncovered in extensive industry research, in positioning the MGA as a modern, energised and relevant industry association serving its members consistently and professionally.

The MGA launched many new initiatives throughout the year that have been greatly valued by members, namely:

Workplace Relations: Lead by Marie Brown - Legal Counsel - Improved membership services delivered by a team of five qualified workplace relations advisors; seminars and forums; Workplace Agreement Making Service; and representation and formation of member working committees.

Compliance Training: Lead by Michael Russell - National Training Manager - Development and implementation of an industry Ready for Work Program; Delivery of a one day OH&S compliance training program; Responsible Service of Alcohol CD Rom based training; Food Safety for handlers and supervisors; and Free OH&S store audits and action plans.

Industry Representation: Development and lodging of various state and federal submissions - ACCC, AFPC, Productivity Commission, AIRC, National Weights and Measures, Senate Economics Committee State Governments (tobacco, liquor, OH&S, Workers Comp etc.) and Directorships of NARGA and ALSA.

Industry Connection: The MGA conducts two highly attended unique industry functions - Industry Golf Day and Industry Dinner Dance/Ball. Members come together at industry information forums and committees.

Key Initiatives - The Environment: Significant energy has been channelled into delivering a number of industry "Keen To Be Green" initiatives to assist members to be proactive in having a positive influence on Climate Change, i.e. policies, in store posters, and Plastic Bag POS to remind consumers to reduce their plastic bag usage.

Scanning Code of Practice: The MGA has written an industry specific "Scanning Code of Practice". The MGA will manage and administer the Code.

Industry Insurance: The Company, in response to industry research findings and after rigorous due diligence, selected Austbrokers (A national insurance broker) to deliver to members industry specific insurance - business and private. The name of the insurance company will be Master Grocers Australia Insurance Services.

SIGNIFICANT CHANGES

There are no significant changes other than those described in the Review of Operations.

Staff numbers remain constant at 10 full time and 3 part time staff.

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year and to the date of this report, in the opinion of the Directors, no matters or circumstances have arisen which significantly affect:

- (i) the operations of the Company;
- (ii) the results of those operations, or
- (iii) the state of affairs of the Company, in the financial years subsequent to 30th June, 2008

LIKELY DEVELOPMENTS

The Company has embarked upon a significant industry opportunity and initiative requiring an historical investment commitment. This investment is in response to the member research carried out in 2007 and early 2008 and subsequent insights of industry weakness and vulnerability in the area of independent supermarket compliance management for small, medium and large businesses. This Compliance Management System will be developed in conjunction with a joint venture partner, Business Learning Materials. Development has commenced with piloting and testing commencing on 1st October 2008 and launch to industry on the 1st March 2009.

RIGHT OF MEMBERS TO RESIGN

A member may resign his membership by giving written notice of resignation of membership to the Secretary in accordance with subrule 10.2 of the organisation's rules .

SUPERANNUATION TRUSTEES

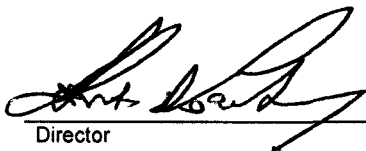
There is no superannuation trustee for the reporting unit.

In accordance with a resolution of the Directors

DATED this 3rd day of October 2008.



Director



Director

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
A.C.N. 004 063 263

INDEPENDENT AUDITORS REPORT

Scope

We have audited the attached financial report, being the Income Statement, Balance Sheet, Statement of Cash Flows and Notes to and forming part of the accounts of The Masters Grocers' Association of Victoria Limited for the year ended 30th June 2008. The Company's Directors are responsible for the preparation and presentation of the financial report and the information they contain.

We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

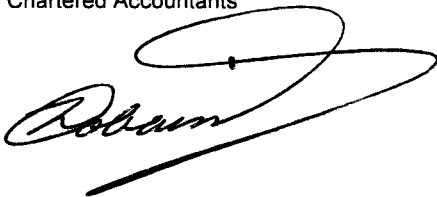
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the attached general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.

DATED this *3rd* day of *October* 2008

COBAIN & LIM PTY LTD
Chartered Accountants



N A COBAIN
Registered Company Auditor Number: 10612

218 / 566 St. Kilda Rd
MELBOURNE 3004

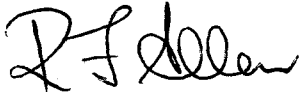
THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED
A.C.N. 004 063 263

DESIGNATED OFFICER'S CERTIFICATE
FOR THE YEAR ENDED 30 JUNE 2008

I, Rodney Frederick Allen, being the Company President of the Master Grocers' Association of Victoria Limited, certify:

- * that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- * that the full report was provided to members on / / 2008; and
- * that the full report was presented to a general meeting of members of the reporting unit on / / 2008
in accordance with section 266 of the RAO Schedule.

DATED this day of 2008.



Company President

Cobain & Lim Pty. Ltd.

ABN 84 006 037 850

Tax Agents, Auditors & Business Consultants

NORM COBAIN F.C.A.

HOCK LIM C.A.

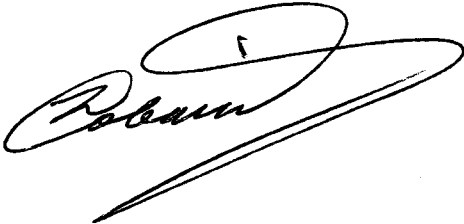
Office: The Jewel
Suite 218, 2nd Floor
566 St. Kilda Road
Melbourne 3004
Telephone: (03) 9510 5233
Fax: (03) 9521 7900
Email: nacobain@bigpond.com

Auditor's Independence Declaration

As lead auditor for the audit of The Masters Grocers' Association of Victoria Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the audit of the accounts of The Masters Grocers' Association of Victoria Limited for the year ended 30 June 2008.



Norman A. Cobain
F.C.A.

Melbourne

Dated this *3rd* day of *October* 2008



**Chartered
Accountants**