

**MASTER GROCERS AUSTRALIA LIMITED**  
**A.C.N. 004 063 263**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**I N D E X**

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**MASTER GROCERS AUSTRALIA LIMITED  
A.C.N. 004 063 263**

**DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

The Directors of Master Grocers Australia Limited present their report to the members on the results of the Company for the financial year ended 30 June 2009 and on the state of affairs of the Company as at that date.

The following Directors of Master Grocers Australia Limited hold office at the date of this report:

<b>ALLEN, Rodney</b>	<b>President</b>	<b>GARRETT, Leigh</b>	<b>Director</b>
<b>BRAY, Andrew</b>	<b>Director</b>	<b>MILLER, Stephen</b>	<b>Vice President</b>
<b>COWLEY, Jean</b>	<b>Director</b>	<b>SMITH, Deborah</b>	<b>Director</b>
<b>DALY, Michael</b>	<b>Director</b>		

**PRINCIPAL ACTIVITY**

Master Grocers Australia Limited is a national Industry Association providing retail food and liquor stores with services and support in the areas of Workplace Relations, Training and Compliance, Industry Connection and Industry Representation to protect the status and best interests of its members.

The Company has its own Consent Awards negotiated with the trade unions on behalf of its members.

The Company publishes 8 editions of its magazine per year, provides a fortnightly E Checkout bulletin and conducts seminars, forums and workshops for its members. The Company also provides a suite of Compliance Training programmes for its members and a widespread series of valuable store assistance programs presented at a store level.

**OPERATING RESULTS**

The net loss of the Company for the year is \$578,417.

**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.

**REVIEW OF OPERATIONS**

Master Grocers Australia Limited (MGA) has had another very busy year providing vital support services to members around Australia. This financial year has provided many challenging circumstances for our industry including the Global Financial Crisis and many State and Federal Government changes to laws and regulations. Despite economic adversity, our members have been able to trade robustly and successfully. Confidence and investment levels remain high amongst independent supermarket owners with store refurbishments becoming the norm and the frequency of newly built stores increasing. Our industry is on the move and MGA's Board has recognised this industry growth by committing to a substantial investment toward the growth and development of MGA's membership services and support.

This financial year can be regarded as a significant investment and development year for MGA with further resources being allocated to vital support services such as workplace relations and compliance for independent supermarkets and liquor store members. The Compliance Management System is a unique industry specific compliance solution, that after considerable development and investment, will become a valuable tool for all.

MGA has also built its staff capability, skill and knowledge to meet the increasing needs of members in all areas of Workplace relations and compliance needs to cover all states and territories.

MGA prides itself on having 4 Cores Pillars that underpin MGA's service and support for members, namely; Workplace Relations, Training and Compliance, Industry Connection and Networking and Industry Voice.

A highlight this year has been the positive discussions MGA and the Liquor Stores Association of Victoria (LSAV) have had concerning both independent packaged liquor organisations joining forces to form one organisation, Liquor Retailers Australia. All industry stakeholders have applauded this wonderful and common sense initiative to create one united voice for independent packaged liquor retailers in Victoria.

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**The Year in Review**

In a very busy and engaging year MGA has had many highlights:

- Retailer and Corporate Membership has grown by 15% and growth of Tasmanian membership continues to be robust. MGA has been continuously receiving industry recognition from members in all states, as a relevant industry organisation, delivering timely and valued support services.
- The profile of MGA as an industry organisation is quickly lifting, with State and Federal Government representatives and the media seeking MGA's comments and insights into industry matters.
- The Liquor Stores Association of Victoria has been absorbed into MGA to form Liquor Retailers Australia (LRA). LRA will be officially launched on 1 July 2009.
- MGA's Agreement Making service has been well supported and recognised for its excellent service.
- DEEWR approved MGA as the preferred organisation to deliver Fair Work Act Seminars on its behalf and has allocated a grant of \$150,000 toward the delivery of industry education programmes in the next financial year.
- MGA, Franklins, Davids, Meat, Progressive WA and many individual store Agreements have been successfully negotiated.
- MGA's fortnightly E Checkout has been well received by members in all states.
- MGA's November 2008 Breakfast Seminar and Retail Security handbook launch by Shadow Minister for Small Business, Steven Ciobo was a huge success.
- MGA is enjoying a positive and productive member focused workplace culture.
- Workplace Relations seminars such as - Know Your Award, National Retail Industry Award etc. have been well attended. MGA Retailer forums, workshops, visits to stores, and industry committees have been well supported and attended.
- MGA's attendance at industry events and functions such as the FoodWorks Conference/Expo, IGA>D's Expo, IGA State conferences, FoodWorks and IGA Regional meetings around Australia have been very well received by members.
- MGA has made many submissions to, and attended many hearings with, State and Federal Government Departments.
- MGA has developed close and personal relationships with many of its members based upon trust and the workplace relations and compliance expertise MGA offers. Strong and sustainable partnerships have been formed with key industry stakeholders.
- MGA's communication to members via its website, e communication and magazine have significantly improved. Further investment and development of MGA's Filemaker Data Base system has enabled better understanding of resource allocation.
- The completion of MGA's Ready 4 Work Program and ongoing development and implementation of the Compliance Management System is a MGA training highlight. The Australian Flexible Learning Framework were so impressed with MGA's industry solution that they have allocated a grant toward the CMS development of \$200,000, of which \$100,000 was received during the year.
- The launch of membership services including: Retail Security handbook, Retail Notices handbook and Master Grocers Insurance Services to include Workers Compensation and Superannuation Services have been well received.
- MGA has consolidated its membership base in Western Australia, Victoria, ACT and New South Wales. MGA will continue to develop new industry memberships in Tasmania, Northern Territory, South Australia and Queensland in the next financial year.

**SIGNIFICANT CHANGES**

The Company had significant changes to its Constitution that were approved at the Annual General Meeting held on the 18th of November 2008. As part of those changes, the company had a change of name from The Master Grocers' Association of Victoria Limited to Master Grocers Australia Limited.

Apart from the changes described above, there were no other significant changes.

Staff numbers remain constant at 10 full time staff.

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**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 year subsequent to 30th June, 2009

**LIKELY DEVELOPMENTS**

Significant investment of MGA funds and resources will continue to be allocated to the development of the CMS. The CMS will be actively introduced and sold to independent supermarkets around Australia in the next financial year. IGA National have endorsed the CMS as their compliance management system of choice for their stores.

DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2009

DETAILS OF DIRECTORS

Name	Year Appt.	Other Directorships
Stephen A. MILLER	2000	Astson Pty Ltd Ian Dietrich Investments Pty Ltd S & Y Miller Investments Pty Ltd Local Grocer Pty Ltd Milton Parade Pty Ltd Independent Retailer Pty Ltd
Michael A. DALY	2001	Kevmille Pty Ltd Houseinvest.com Pty Ltd M.A. Daly Family Trust Pty Ltd The Network Company Pty Ltd
Jean COWLEY	2001	Point Lonsdale Supermarket Pty Ltd Cowley Business Holdings Pty Ltd Jean Cowley Retail Services Pty Ltd
Rodney F. ALLEN	2002	Mount Martha Village Self Service Pty Ltd Nizark Holdings Pty Ltd Herod Pty Ltd Milton Parade Pty Ltd Local Grocer Pty Ltd Independent Retailer Pty Ltd Comptrain Services Pty Ltd
Deborah May SMITH	2006	A & D (QLD) Holdings Pty Ltd Australian United Retailers Ltd DAALT Pty Ltd
Leigh GARRETT	2008	Leigh Trading Pty Ltd
Andrew J. W. BRAY	2009	Arionelle Pty Ltd Callala Bay Holdings Pty Ltd Lyndhurst Nominees (HP) Pty Ltd Bawley Point IGA Pty Ltd BQ Holdings Pty Ltd

DIRECTORS BENEFITS

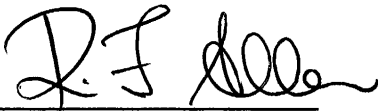
Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company, or a related corporation with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest other than as shown in the Company's accounts or received as a fixed salary of a full-time employee of the Company or related corporation.

AUDITORS INDEPENDENCE DECLARATION

A copy of the independence declaration is set out on page 5.

This report is made in accordance with a resolution of the Directors

DATED this 21<sup>st</sup> day of October 2009.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**MASTER GROCERS AUSTRALIA LIMITED  
A.C.N. 004 063 263**

**AUDITORS' INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF MASTER GROCERS AUSTRALIA LIMITED**

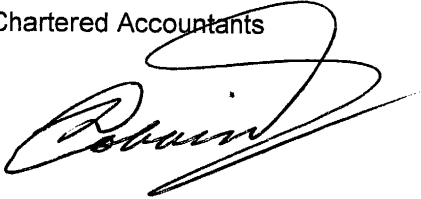
In accordance with section 307C of the Corporations Act 2001, I declare that,  
to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

- (a) no contraventions of the auditors' independence requirements as set out in 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.

**DATED** this *21<sup>st</sup>* day of *October* 2009

**COBAIN & LIM PTY LTD**

Chartered Accountants



**N A COBAIN**

Registered Company Auditor Number: 10612

218 / 566 St. Kilda Rd  
MELBOURNE 3004

**MASTER GROCERS AUSTRALIA LIMITED**  
**A.C.N. 004 063 263**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
Operating Revenue	3	849,506	795,519
Cost of Sales		(63,455)	(67,589)
Gross Profit		786,051	727,930
Other Revenues	3	183,964	258,152
National Development Expenses		(4,083)	(79,927)
Training Expenses		(63,434)	(60,814)
Occupancy Expenses		(24,002)	(17,958)
Employee Expenses		(802,456)	(679,454)
Administration Expenses		(202,949)	(232,530)
Depreciation and Amortisation Expense		(25,607)	(26,627)
Other Expenses from Ordinary Activities		(143,069)	(189,163)
Proceeds from Sale of Investments	4	450,682	1,049,038
Carrying Amount of Investments Sold	4	(733,514)	(943,148)
Grant Expenses Recovered	5	-	19,433
Loss from Ordinary Activities before Income Tax		(578,417)	(175,068)
Income Tax Expense	7	-	-
<b>Loss attributable to Members</b>		<b>(578,417)</b>	<b>(175,068)</b>

The accompanying notes form part of these accounts

**MASTER GROCERS AUSTRALIA LIMITED**  
**A.C.N. 004 063 263**

**BALANCE SHEET**  
**AS AT 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash		267,186	134,413
Receivables	8	155,815	121,276
<b>Total Current Assets</b>		423,001	255,689
<b>NON CURRENT ASSETS</b>			
Investments	9	1,833,790	2,507,285
Property, Plant & Equipment	10	1,346,509	1,320,734
Intangible Assets	11	19,480	21,915
Training Programme Development	12	654,685	153,937
<b>Total Non Current Assets</b>		3,854,464	4,003,871
<b>TOTAL ASSETS</b>		4,277,465	4,259,560
<b>CURRENT LIABILITIES</b>			
Creditors & Borrowings	13	124,997	121,105
Provisions	14	45,141	33,416
Special Purpose Projects	15	59,580	89,875
<b>Total Current Liabilities</b>		229,718	244,396
<b>NON CURRENT LIABILITIES</b>			
Creditors & Borrowings	13	611,000	-
Special Purpose Grants	5	-	-
<b>Total Non Current Liabilities</b>		611,000	-
<b>TOTAL LIABILITIES</b>		840,718	244,396
<b>NET ASSETS</b>		3,436,747	4,015,164
<i>Represented by:</i>			
<b>MEMBERS' EQUITY</b>			
Accumulated Surplus		3,436,747	4,015,164
<b>TOTAL MEMBERS' EQUITY</b>		3,436,747	4,015,164

The accompanying notes form part of these accounts

**MASTER GROCERS AUSTRALIA LIMITED**  
**A.C.N. 004 063 263**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Equity at the beginning of the financial year	4,015,164	4,190,232
Loss attributable to Members	(578,417)	(175,068)
<b>Equity at the end of the financial year</b>	<u>3,436,747</u>	<u>4,015,164</u>

The accompanying notes form part of these accounts

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2009

**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) and the Corporations Law, including the disclosure requirements of Schedule 5 of the Corporations Regulations. 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) Revenue recognition**

Members' subscriptions or fees are accounted for when invoiced and taken to profit over the period to which they apply.

Revenue in respect of training, workplace agreements and sundry income is accounted for when invoiced.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**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.

**(d) 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.

**(e) Training Programme Development**

Investment in the development of the Compliance Management System training programme is carried at cost. This includes an appropriate recovery of internal costs as well as outgoings to external parties. The programme is still in development and will not be completed until approximately December 2009.

The useful life of the Compliance Management System training programme is considered to be finite and its useful life and its rate of amortisation will be determined once the development of the programme has been completed.

**MASTER GROCERS AUSTRALIA LIMITED**  
A.C.N. 004 063 263

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2 DIRECTORS EMOLUMENTS</b>		
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	57,500	59,600
- Adjustment of Prior Year Fees	(495)	-
	57,005	59,600
 <b>NOTE 3 REVENUE FROM ORDINARY ACTIVITIES</b>		
Operating Revenue		
Subscriptions	525,481	481,341
MGA Agreement and Fees for Service	112,389	114,800
Magazine Income	97,977	94,228
OHS Training	35,085	53,520
Retail Sales & Training	24,650	15,250
RSA Workshop	6,375	20,941
Food Safety Workshop	13,865	15,115
Other related income	33,684	324
	849,506	795,519
Other Revenue		
Interest	22,223	32,420
Dividends	90,448	116,386
Trust Distributions	19,700	40,828
Rental income	51,593	68,047
Other Income	-	471
	183,964	258,152
 <b>NOTE 4 PROFIT FROM ORDINARY ACTIVITIES</b>		
<b>(a) Profit / (Loss) from Ordinary Activities has been determined after the following items:-</b>		
Auditors' Remuneration		
- Audit of the Accounts	8,000	7,500
- Other Services	-	-
Bad Debts	(200)	4,257
Depreciation	23,172	24,192
Amortisation	2,435	2,435
Transfers to Provisions for Annual Leave	11,726	21,998
Transfers to Provisions for Long Service Leave	-	-

**MASTER GROCERS AUSTRALIA LIMITED**  
A.C.N. 004 063 263

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4 PROFIT FROM ORDINARY ACTIVITIES (con't)</b>		
<b>(b) Specific Net Gains and (Losses):</b>		
Proceeds from Sale of Investments	450,682	1,049,038
Carrying Amount of Investments Sold	733,514	943,148
Profit / (Loss) on Sale of Investments	<u>(282,832)</u>	<u>105,890</u>
Proceeds from Sale of Plant & Equipment	-	-
Carrying Amount of Plant & Equipment Sold	-	-
Profit/(Loss) on Sale of Plant & Equipment	<u>-</u>	<u>-</u>

**NOTE 5 SPECIAL PURPOSE GRANTS**

**(i) Packaged Liquor Industry Development Trust Fund (PLIDTF)**

Opening balance	-	134,368
<i>Add:</i>		
Funding received during year		-
<i>Less:</i>		
Directly Attributable Costs		(69,056)
Grant Expenses Recovered		(15,312)
Funding Allocated to Training Strategy		(50,000)
	<u>-</u>	<u>-</u>

**(ii) Department of Innovation, Industry and Regional Development (DIIRD)**

Opening balance	-	4,313
<i>Add:</i>		
Funding received during year		8,742
Directly Attributable Costs exceeding Grant Funds		
<i>Less:</i>		
Directly Attributable Costs		(8,933)
Grant Expenses Recovered		(4,122)
	<u>-</u>	<u>-</u>
Total Grants carried forward	<u>-</u>	<u>-</u>

**NOTE 6 DIVIDENDS POLICY**

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

**NOTE 7 INCOME TAX**

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



**MASTER GROCERS AUSTRALIA LIMITED**  
**A.C.N. 004 063 263**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12 TRAINING PROGRAMME DEVELOPMENT</b>		
Opening balance	153,937	-
Invested during the year in Compliance Management Systems:		
- Directly Attributable Costs	470,681	97,647
- Employee Expenses Recovered	130,067	106,290
<i>Less:</i>		
- Funding from Canberra Institute of Technology	(100,000)	
- Funding allocated from PLIDTF	-	(50,000)
	<b>654,685</b>	<b>153,937</b>
	<b>654,685</b>	<b>153,937</b>

**NOTE 13 CREDITORS AND BORROWINGS**

*Current*

Trade Creditors	50,612	46,491
Sundry Creditors & Accruals	68,977	68,119
Credit Card	5,408	6,495
	<b>124,997</b>	<b>121,105</b>
	<b>124,997</b>	<b>121,105</b>

*Non Current*

ANZ Bank - Commercial Bills	611,000	
	<b>611,000</b>	<b>-</b>
	<b>611,000</b>	<b>-</b>

**NOTE 14 PROVISIONS**

*Current*

Employee Entitlements - Provision for Annual Leave	45,141	33,416
	<b>45,141</b>	<b>33,416</b>
	<b>45,141</b>	<b>33,416</b>

**NOTE 15 SPECIAL PURPOSE PROJECTS**

**(i) Planning Review Committee (PRC)**

Opening balance	89,875	-
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	(30,295)	(30,125)
	<b>59,580</b>	<b>89,875</b>
	<b>59,580</b>	<b>89,875</b>

**MASTER GROCERS AUSTRALIA LIMITED**  
A.C.N. 004 063 263

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 16 STATEMENT OF CASH FLOW</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from Members	615,768	552,963
Receipts from Training programmes	104,715	104,826
Receipts from Advertising	97,977	94,228
Receipts Other	9,286	-
Dividend & Trust Income Received	110,148	157,685
Interest Received	22,223	32,420
Rents Received	51,593	68,047
Payments to suppliers and employees	(1,831,652)	(1,432,271)
Net Cash Provided by (used in) Operating Activities	<u>(819,942)</u>	<u>(422,102)</u>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Proceeds from sale of investments	450,682	1,049,039
Proceeds from sale of plant & equipment	-	-
Payments for plant and equipment	(48,947)	(25,758)
Payments for investments	(60,020)	(536,608)
Net Cash Provided by (used in) Investment Activities	<u>341,715</u>	<u>486,673</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	611,000	-
Net Cash Provided by (used in) Financing Activities	<u>611,000</u>	<u>-</u>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<u>132,773</u>	<u>64,571</u>
<b>CASH AS AT START OF FINANCIAL YEAR</b>	<u>134,413</u>	<u>69,842</u>
<b>CASH AS AT END OF FINANCIAL YEAR</b>	<u><u>267,186</u></u>	<u><u>134,413</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	(578,417)	(175,068)
<b>Non-cash flows in operating profit:-</b>		
(Profit) / Loss on sale of investments	282,832	(105,891)
(Profit) / Loss on sale of plant & equipment	-	-
Depreciation and amortisation	25,607	26,627
<b>Change in assets and liabilities:</b>		
(Increase) / Decrease		
- Trade Debtors	(21,758)	(42,976)
- Sundry Debtors, Prepayments & Receivables	(12,782)	92,700
- Training Strategy	(500,748)	(153,937)
(Decrease) / Increase		
- Trade Creditors & Accruals	3,894	(36,750)
- Employee Provisions	11,725	21,999
Special Purpose Grants	(30,295)	(48,806)
Net cash provided by operating activities	<u>(819,942)</u>	<u>(422,102)</u>

**MASTER GROCERS AUSTRALIA LIMITED**  
**A.C.N. 004 063 263**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**NOTE 17 RELATED PARTY TRANSACTIONS**

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

**ALLEN**, Rodney Frederick

**BRAY**, Andrew John Wentworth

**COWLEY**, Jean

**DALY**, Michael Andrew

**DE SAUTY**, Robert Edward

**GARRETT**, Leigh

**MILLER**, Stephen Andrew

**SMITH**, Deborah May

Emoluments due to the Directors for the 2009 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. M. Daly, Mr. S. Miller, Ms. D. Smith and Mr. L. Garrett

received remuneration, being director fees, from the Company of \$7,500 respectively

Mr. A. Bray received remuneration, being board observer fees and director fees, from the Company of \$7,500.

Travel costs paid on behalf of and/or reimbursed by the Company for Mr. R. Allen was \$184.

Travel costs paid on behalf of and/or reimbursed by the Company for Mr. A. Bray was \$1,585.

Travel costs paid on behalf of and/or reimbursed by the Company for Mr. M. Daly \$726.

Travel costs paid on behalf of and/or reimbursed by the Company for Mr. L. Garrett was \$3,759.

Travel costs paid on behalf of and/or reimbursed by the Company for Mr. S. Miller was \$193.

Travel costs paid on behalf of and/or reimbursed by the Company for Ms. D. Smith was \$3,227.

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

**NOTE 18 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 2009, there were 1,417 members and 26 associate and corporate members.

**MASTER GROCERS AUSTRALIA LIMITED**  
**A.C.N. 004 063 263**

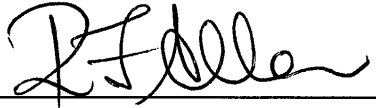
**STATEMENT BY DIRECTORS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

In the opinion of the Directors of the Company;

1. (a) The accompanying Income Statement is drawn up so as to give a true and fair view of the results of the Company, in so far as they concern members of the Company, for the financial year ended 30 June 2009.
- (b) The accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the Company, in so far as they concern members of the Company, as at the end of that financial year.
- (c) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due,

This statement is made in accordance with the resolution of the Board of Directors and is signed for and on behalf of the directors by:

DATED this 21<sup>st</sup> day of October 2009



Director



Director

**MASTER GROCERS AUSTRALIA LIMITED**  
**A.C.N. 004 063 263**

**INDEPENDENT AUDITORS REPORT**

**Scope**

We have audited the accounts, being the Statement of Directors, Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to and forming part of the accounts of Master Grocers Australia Limited for the year ended 30th June 2009. The company's Directors are responsible for the preparation and presentation of the accounts and the information they contain.

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

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

**Auditor's Independence Declaration**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001

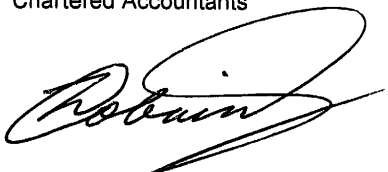
**Audit Opinion**

In our opinion, the financial report of Master Grocers Australia Limited for the year ended 30 June 2009 is in accordance with

- (a) The Corporations Act 2001, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
  - (ii) complying with the Australian Accounting Standards and the Corporations Regulations 2001, and
- (b) other mandatory professional reporting requirements.

DATED this *21<sup>st</sup>* day of *October* 2009

**COBAIN & LIM PTY LTD**  
Chartered Accountants



**N A COBAIN**  
Registered Company Auditor Number: 10612

218 / 566 St. Kilda Rd  
MELBOURNE 3004