

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

**FINANCIAL RETURN
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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009 \$	2008 \$
Operating Revenue	4	849,506	795,519
Cost of Sales		(63,455)	(67,589)
<hr/>			
Gross Profit		786,051	727,930
Other Revenues	4	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	5	450,682	1,049,038
Carrying Amount of Investments Sold	5	(733,514)	(943,148)
Grant Expenses Recovered	6	-	19,433
<hr/>			
Loss from Ordinary Activities before Income Tax		(578,417)	(175,068)
Income Tax Expense	8	-	-
<hr/>			
Loss attributable to Members		(578,417)	(175,068)

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 \$
CURRENT ASSETS			
Cash		267,186	134,413
Receivables	9	155,815	121,276
Total Current Assets		423,001	255,689
NON CURRENT ASSETS			
Investments	10	1,833,790	2,507,285
Property, Plant & Equipment	11	1,346,509	1,320,734
Intangible Assets	12	19,480	21,915
Training Programme Development	13	654,685	153,937
Total Non Current Assets		3,854,464	4,003,871
TOTAL ASSETS		4,277,465	4,259,560
CURRENT LIABILITIES			
Creditors & Borrowings	14	124,997	121,105
Provisions	15	45,141	33,416
Special Purpose Projects	16	59,580	89,875
Total Current Liabilities		229,718	244,396
NON CURRENT LIABILITIES			
Creditors & Borrowings	14	611,000	-
Special Purpose Grants	6	-	-
Total Non Current Liabilities		611,000	-
TOTAL LIABILITIES		840,718	244,396
NET ASSETS		3,436,747	4,015,164
<i>Represented by:</i>			
MEMBERS' EQUITY			
Accumulated Surplus		3,436,747	4,015,164
TOTAL MEMBERS' EQUITY		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

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

The accompanying notes form part of these accounts

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
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>
CASH FLOW FROM INVESTMENT ACTIVITIES		
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>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	611,000	-
Net Cash Provided by (used in) Financing Activities	<u>611,000</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH HELD		
	<u>132,773</u>	<u>64,571</u>
CASH AS AT START OF FINANCIAL YEAR	<u>134,413</u>	<u>69,842</u>
CASH AS AT END OF FINANCIAL YEAR	<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)
Non-cash flows in operating profit:-		
(Profit) / Loss on sale of investments	282,832	(105,891)
(Profit) / Loss on sale of plant & equipment		-
Depreciation and amortisation	25,607	26,627
Change in assets and liabilities:		
(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 & Projects	(30,295)	(48,806)
Net cash provided by operating activities	<u>(819,942)</u>	<u>(422,102)</u>

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), Schedule 1 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) 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

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

NOTE 2 INFORMATION TO BE PROVIDED TO MEMBERS

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members of Master Grocers Australia 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).
- (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.

NOTE 3 DIRECTORS EMOLUMENTS

Total emoluments excluding amounts in respect of fixed salaries as employees received or due and received from the Company

	2009	2008
	\$	\$
(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)	0
	57,005	59,600

MASTER GROCERS AUSTRALIA LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 4 REVENUE FROM ORDINARY ACTIVITIES		
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 Operating 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
 NOTE 5 PROFIT FROM ORDINARY ACTIVITIES		
(a) Profit / (Loss) from Ordinary Activities has been determined after the following items:-		
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
Annual fee for affiliation with:		
- Political Parties	-	-
- A.R.A.V.	-	-
- International Bodies	-	-
Donations	-	-
Benefits to Holders of Office	57,005	59,600
Benefits to Employees (other than Holders of Office)	802,456	679,454
Legal Cost	1,121	4,506
Transfers to Provisions for Annual Leave	11,726	21,998
Transfers to Provisions for Long Service Leave	-	-
 (b) Specific Net Gains and (Losses):		
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	(282,832)	105,890
Proceeds from Sale of Plant & Equipment	-	-
Carrying Amount of Plant & Equipment Sold	-	-
Profit/(Loss) on Sale of Plant & Equipment	-	-

MASTER GROCERS AUSTRALIA LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 6 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)
	-	-
	-	-
(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)
	-	-
	-	-
Total Grants Carried Forward	-	-
	-	-

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

MASTER GROCERS AUSTRALIA LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 9 RECEIVABLES		
<i>Current</i>		
Trade Debtors	117,814	96,056
Less: Provision Doubtful Debts	(6,350)	(6,350)
Accrued Income	11,126	16,576
Withholding Tax Paid	-	-
Sundry Debtors & prepayments	33,225	14,994
	155,815	121,276
<i>Non Current</i>		
	-	-

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

1,554,681 1,979,715

(Market Value at 30.6.09 \$1,809,198)

Units in listed managed funds

* At cost

160,000 285,000

(Market Value at 30.6.09 \$118,744)

Units in listed property trusts

* At cost

119,109 242,570

(Market Value at 30.6.09 \$87,595)

1,833,790 2,507,285

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

242,971 194,024

Less accumulated depreciation

(116,024) (92,852)

1,346,509 1,320,734

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

(4,870) (2,435)

19,480 21,915

MASTER GROCERS AUSTRALIA LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 13 TRAINING PROGRAMME DEVELOPMENT		
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)
	<u>654,685</u>	<u>153,937</u>
	<u>654,685</u>	<u>153,937</u>
 NOTE 14 CREDITORS AND BORROWINGS		
<i>Current</i>		
Trade Creditors	50,612	46,491
Sundry Creditors & Accruals	68,977	68,119
Credit Card	5,408	6,495
	<u>124,997</u>	<u>121,105</u>
	<u>124,997</u>	<u>121,105</u>
 <i>Non Current</i>		
ANZ Bank - Commercial Bills	611,000	
	<u>611,000</u>	-
	<u>611,000</u>	-
 NOTE 15 PROVISIONS		
<i>Current</i>		
Employee Entitlements - Provision for Annual Leave	45,141	33,416
	<u>45,141</u>	<u>33,416</u>
	<u>45,141</u>	<u>33,416</u>
 NOTE 16 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)
	<u>59,580</u>	<u>89,875</u>
	<u>59,580</u>	<u>89,875</u>

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.

NOTE 19 ECONOMIC DEPENDENCY

There is no economic dependency on another reporting unit.

MASTER GROCERS AUSTRALIA LIMITED
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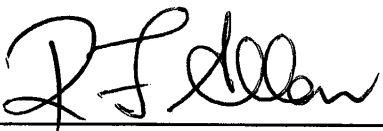
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

On **OCTOBER** the **21st** 2009 the Committee of Management of Master Grocers Australia 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 2009:

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: **PRESIDENT**

DATED this **21st** day of **OCTOBER** 2009.

**MASTER GROCERS AUSTRALIA LIMITED
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**OPERATING 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:

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

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.

NUMBER OF MEMBERS

As at year end there were 1,417 members and 26 associate and corporate members.

NUMBER OF EMPLOYEES

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

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.

OPERATING 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.

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OPERATING 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.

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.

MEMBERSHIP OF THE COMMITTEE OF MANAGEMENT

The membership of the Committee of Management during the year ended 30th June 2009 is as follows:


Name	Position	Period Held
ALLEN, Rodney	President	1 July 2008 - 30 June 2009
BRAY, Andrew	Director	28 April 2009 - 30 June 2009
COWLEY, Jean	Director	1 July 2008 - 30 June 2009
DE SAUTY, Robert Edward	Director	1 July 2008 - 24 March 2009
DALY, Michael	Director	1 July 2008 - 30 June 2009
GARRETT, Leigh	Director	1 July 2008 - 30 June 2009
MILLER, Stephen	Vice President	1 July 2008 - 30 June 2009
SMITH, Deborah	Director	1 July 2008 - 30 June 2009

AUDITORS INDEPENDENCE DECLARATION


A copy of the independence declaration is set out on the page 16.

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

DATED this 21st day of OCTOBER 2009.



Director



Director

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

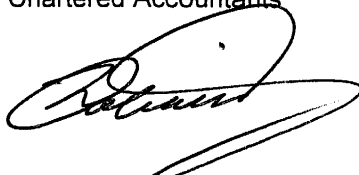
**AUDITORS' INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MASTER GROCERS AUSTRALIA LIMITED**

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 *21st* 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

INDEPENDENT AUDITORS REPORT

Scope

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

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.

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

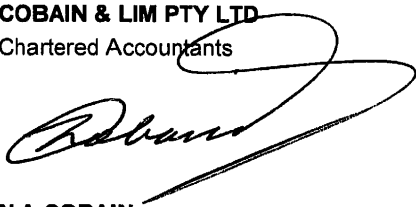
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001

Audit Opinion

In our opinion, the 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 *21st* 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**

**DESIGNATED OFFICER'S CERTIFICATE
FOR THE YEAR ENDED 30 JUNE 2009**

I, Rodney Frederick Allen, being the Company President of Masters Grocers Australia 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 / / 2009; and
- * that the full report was presented to a general meeting of members of the reporting unit on / / 2009
in accordance with section 266 of the RAO Schedule.

DATED this day of 2009.



Company President