

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

**FINANCIAL RETURN  
FOR THE YEAR ENDED 30 JUNE 2010**

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

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
Operating Revenue	4	1,130,434	849,506
Cost of Sales		(66,334)	(63,455)
		<hr/>	<hr/>
Gross Profit		1,064,099	786,051
Other Revenues	4	395,967	183,964
National Development Expenses		(16,876)	(4,083)
Training Expenses		(76,477)	(63,434)
Employment Law Expenses		(92,846)	(19,299)
Occupancy Expenses		(41,298)	(24,002)
Employee Expenses		(893,880)	(802,456)
Commercial Bill Facility Expenses		(43,205)	(14,196)
Administration Expenses		(207,784)	(202,949)
Depreciation and Amortisation Expense		(20,887)	(25,607)
Other Expenses from Ordinary Activities		(113,665)	(109,574)
Proceeds from Sale of Investments	5	606,542	450,682
Carrying Amount of Investments Sold	5	(555,384)	(733,514)
		<hr/>	<hr/>
Profit / (Loss) from Ordinary Activities before Income Tax		4,307	(578,417)
Income Tax Expense	7	-	-
		<hr/>	<hr/>
<b>Profit / (Loss) attributable to Members</b>		<u>4,307</u>	<u>(578,417)</u>

The accompanying notes form part of these accounts

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

**BALANCE SHEET**  
**AS AT 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash		185,724	267,186
Receivables	8	111,338	155,815
<b>Total Current Assets</b>		297,062	423,001
<b>NON CURRENT ASSETS</b>			
Investments	9	1,717,455	1,833,790
Property, Plant & Equipment	10	1,340,342	1,346,509
Intangible Assets	11	17,045	19,480
Training Programme Development	12	1,109,937	654,685
<b>Total Non Current Assets</b>		4,184,779	3,854,464
<b>TOTAL ASSETS</b>		4,481,841	4,277,465
<b>CURRENT LIABILITIES</b>			
Creditors & Borrowings	13	368,684	124,997
Provisions	14	53,373	45,141
Special Purpose Projects	15	24,730	59,580
<b>Total Current Liabilities</b>		446,787	229,718
<b>NON CURRENT LIABILITIES</b>			
Creditors & Borrowings	13	594,000	611,000
<b>Total Non Current Liabilities</b>		594,000	611,000
<b>TOTAL LIABILITIES</b>		1,040,787	840,718
<b>NET ASSETS</b>		3,441,054	3,436,747
<i>Represented by:</i>			
<b>MEMBERS' EQUITY</b>			
Accumulated Surplus		3,441,054	3,436,747
<b>TOTAL MEMBERS' EQUITY</b>		3,441,054	3,436,747

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 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Equity at the beginning of the financial year	3,436,747	4,015,164
Profit / (Loss) attributable to Members	4,307	(578,417)
<b>Equity at the end of the financial year</b>	<u>3,441,054</u>	<u>3,436,747</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 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from members ( GST inclusive)	1,120,397	912,699
Government funding (GST inclusive)	255,555	82,500
Dividend & trust income received	123,279	103,358
Interest received	14,463	34,463
Rents received (GST inclusive)	62,323	56,752
Surplus from absorption of LSAV business operations	150,900	-
Payments to suppliers and employees	(1,946,587)	(2,009,714)
Net Cash Provided by (used in) Operating Activities	<u>(219,670)</u>	<u>(819,942)</u>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Proceeds from sale of investments	606,542	450,682
Proceeds from sale of plant & equipment		
Payments for plant and equipment	(12,285)	(48,947)
Payments for investments	(439,049)	(60,020)
Net Cash Provided by (used in) Investment Activities	<u>155,208</u>	<u>341,715</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	611,000
Repayment of borrowings	(17,000)	-
Net Cash Provided by (used in) Financing Activities	<u>(17,000)</u>	<u>611,000</u>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<u>(81,462)</u>	<u>132,773</u>
<b>CASH AS AT START OF FINANCIAL YEAR</b>	<u>267,186</u>	<u>134,413</u>
<b>CASH AS AT END OF FINANCIAL YEAR</b>	<u>185,724</u>	<u>267,186</u>
 (a) Reconciliation of Operating Profit after income tax to net cash provided by (used in) operating activities:		
Operating Profit / (Loss) after income tax	4,307	(578,417)
<b>Non-cash flows in operating profit:-</b>		
(Profit) / Loss on sale of investments	(51,158)	282,832
(Profit) / Loss on sale of plant & equipment		
Depreciation and amortisation	20,887	25,607
<b>Change in assets and liabilities:</b>		
(Increase) / Decrease		
- Trade debtors	12,442	(21,758)
- Sundry debtors, prepayments & receivables	32,035	(12,782)
- Training strategy	(455,252)	(500,748)
(Decrease) / Increase		
- Trade creditors & accruals	243,687	3,894
- Employee provisions	8,232	11,725
- Special purpose grants & projects	(34,850)	(30,295)
Net cash provided by operating activities	<u>(219,670)</u>	<u>(819,942)</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010

**NOTE 1 STATEMENT OF ACCOUNTING POLICIES**

The financial statements are a general purpose financial report (GPFR) that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), the *Fair Work (Registered Organisations) Act 2009*, and the *financial reporting guidelines* issued by the General Manager of Fair Work Australia. 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.

**(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 was to be completed in December 2009 but this was delayed until June 2010.

Sales programme during 2010 were based on earlier completed Modules but the full suite of units was finalised in June 2010.

Full rollout of the programme under a dedicated National marketing plan commenced effective from 1st of July 2010.

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 and commenced in the 2011 financial year and not in the 2010 financial year as stated in Note 1(f) of the 2009 accounts.

**MASTER GROCERS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 2 INFORMATION TO BE PROVIDED TO MEMBERS**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, 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 the General Manager, 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) The General Manager may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the General Manager 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 (including the amount) 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

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
(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	65,000	57,500
- Adjustment of Prior Year Fees	-	(495)
	65,000	57,005

**MASTER GROCERS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4 REVENUE FROM ORDINARY ACTIVITIES</b>		
Operating Revenue		
Membership Subscriptions	679,435	525,481
MGA Agreement and Fees for Service	150,457	112,389
Magazine Income	97,346	97,977
OHS Training	4,544	35,085
Retail Sales & Training	123,363	24,650
RSA Workshop	15,364	6,375
Food Safety Workshop	11,345	13,865
Other related income	48,580	33,684
	<b>1,130,434</b>	<b>849,506</b>
Other Operating Revenue		
Interest	13,468	22,223
Dividends	108,744	90,448
Trust Distributions	4,928	19,700
Rental income	56,657	51,593
Project Cost Recoveries	31,850	-
Surplus from absorption of LSAV Business Operations	150,900	-
Other Income	29,420	-
	<b>395,967</b>	<b>183,964</b>

**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	8,000
- Other Services	-	-
Bad Debts	3,287	(200)
Depreciation and Amortisation Expense	20,887	25,607
Annual fee for affiliation with:	-	-
- Political Parties	-	-
- A.R.A.V.	-	-
- International Bodies	-	-
Donations	-	-
Benefits to Holders of Office	65,000	57,005
Benefits to Employees (other than Holders of Office)	893,880	802,456
Legal Cost	-	1,121
Transfers to Provisions for Annual Leave	8,231	11,726
Transfers to Provisions for Long Service Leave	-	-

MASTER GROCERS AUSTRALIA LIMITED  
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NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
<b>NOTE 5 PROFIT FROM ORDINARY ACTIVITIES (CONT)</b>		
<b>(b) Specific Net Gains and (Losses):</b>		
Proceeds from Sale of Investments	606,542	450,682
Carrying Amount of Investments Sold	555,384	733,514
Profit/(Loss) on Sale of Investments	<u>51,158</u>	<u>(282,832)</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 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**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12 TRAINING PROGRAMME DEVELOPMENT</b>		
Opening balance	654,685	153,937
Invested during the year in Compliance Management Systems:		
- Directly Attributable Costs	399,158	470,681
- Employee Expenses Recovered	106,094	130,067
<i>Less:</i>		
- Funding from Canberra Institute of Technology	(50,000)	(100,000)
- Funding allocated from PLIDTF	-	-
	<b>1,109,937</b>	<b>654,685</b>
	<b>1,109,937</b>	<b>654,685</b>
 <b>NOTE 13 CREDITORS AND BORROWINGS</b>		
<i>Current</i>		
Trade Creditors	165,629	50,612
Sundry Creditors & Accruals	138,224	68,977
Subscriptions in Advance	59,343	
Credit Card	5,488	5,408
	<b>368,684</b>	<b>124,997</b>
	<b>368,684</b>	<b>124,997</b>
 <i>Non Current</i>		
ANZ Bank - Commercial Bills	594,000	611,000
	<b>594,000</b>	<b>611,000</b>
	<b>594,000</b>	<b>611,000</b>
 <b>NOTE 14 PROVISIONS</b>		
<i>Current</i>		
Employee Entitlements - Provision for Annual Leave	53,373	45,141
	<b>53,373</b>	<b>45,141</b>
	<b>53,373</b>	<b>45,141</b>
 <b>NOTE 15 SPECIAL PURPOSE PROJECTS</b>		
<b>(i) Planning Review Committee (PRC)</b>		
Opening balance	59,580	89,875
MGA commitment to PRC	-	-
<i>Add:</i>		
Funding received from co-contributors during the year	-	-
<i>Less:</i>		
Project costs expensed during year	(34,850)	(30,295)
	<b>24,730</b>	<b>59,580</b>
	<b>24,730</b>	<b>59,580</b>

**MASTER GROCERS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 16 RELATED PARTY TRANSACTIONS**

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

**ALLEN**, Rodney

**BRAY**, Andrew

**COWLEY**, Jean

**DALY**, Michael

**DIXON**, Jillian

**GARRETT**, Leigh

**MILLER**, Stephen

**SMITH**, Deborah

Emoluments due to the Directors for the 2010 financial year were as follows:

Mr. R. Allen received remuneration, being President Allowance from the company, of \$5,000  
Mr. R. Allen, Mr. A. Bray, Ms. J. Cowley, Mr. M. Daly, Ms. J. Dixon, Mr. L. Garrett, Mr. S. Miller and  
Ms. D. Smith received remuneration, being director fees, from the Company of \$7,500 respectively  
Travel costs paid on behalf of and/or reimbursed by the Company for Mr. R. Allen was \$353.  
Travel costs paid on behalf of and/or reimbursed by the Company for Mr. A. Bray was \$3,590.  
Travel costs paid on behalf of and/or reimbursed by the Company for Mr. M. Daly was \$931.  
Travel costs paid on behalf of and/or reimbursed by the Company for Ms. J. Dixon was \$53.  
Travel costs paid on behalf of and/or reimbursed by the Company for Mr. L. Garrett was \$5,302.  
Travel costs paid on behalf of and/or reimbursed by the Company for Mr. S. Miller was \$504.  
Travel costs paid on behalf of and/or reimbursed by the Company for Ms. D. Smith was \$3,953.

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

**NOTE 17 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 2010, there were 1,365 members and 31 associate and corporate members.

**NOTE 18 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 2010**

On *OCTOBER* the *26<sup>th</sup>* 2010 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 2010:

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 issued by the General Manager of Fair Work Australia (FWA);
- (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 Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) the information sought in any request of a member of the reporting unit or the General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWA; and
  - (v) No orders have been made by FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

For the Committee of Management:



Title of Office held:

President

**DATED** this *26* day of *OCTOBER* 2010.

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

**OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2010**

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 2010 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>DALY, Michael</b>	<b>Director</b>
<b>MILLER, Stephen</b>	<b>Vice President</b>	<b>DIXON, Jillian</b>	<b>Director</b>
<b>BRAY, Andrew</b>	<b>Director</b>	<b>GARRETT, Leigh</b>	<b>Director</b>
<b>COWLEY, Jean</b>	<b>Director</b>	<b>SMITH, Deborah</b>	<b>Director</b>

**PRINCIPAL ACTIVITY**

Master Grocers Australia Limited is a national Industry Employer Association providing independent retail food and liquor stores with services and support in the areas of Workplace Relations, Training and Compliance, Industry Community 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 Independent Retailer magazine each year, provides a fortnightly E Checkout bulletin and conducts seminars, forums and workshops for its members. The Company also provides a suite of face to face and On Line Compliance Training programmes for its members and a widespread series of valuable store assistance programmes presented at a store level.

**OPERATING RESULTS**

The net profit of the Company for the year is \$4,307.

**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 1,365 members and 31 associate and corporate members.

**NUMBER OF EMPLOYEES**

As at year end the number of employees was 9 full time and 2 contracted.

**REVIEW OF OPERATIONS**

Master Grocers Australia Limited (MGA) has had another very busy year providing vital support services to its independent supermarket and liquor store members around Australia.

This financial year has again provided many challenging circumstances for our industry including the recovery from a very slow trading period, this vs. last year, caused by the Australian Government last year gifting the Australian Community a generous stimulus package that was not forthcoming in this financial year. Symptoms of the Global Financial Crisis still hamper consumer confidence. Despite economic adversity and an increase in competition from the Chains and Aldi, our members have been able to trade vigorously albeit less profitably. Confidence and investment levels have been vulnerable in some sectors of our industry.

Despite the less than robust trading conditions, independent supermarket and liquor store owners cautiously continued to invest into their businesses. Our industry continues to change with many new store owners entering our industry. MGA's Board has recognised this industry growth by continuing to commit to a substantial investment toward the growth and development of MGA's membership services and support such as workplace relations and compliance for independent supermarkets and liquor store members. The Compliance Management System (CMS) is a unique industry specific compliance solution that, after considerable development and investment, has been completed and will become a valuable tool for all.

MGA has also built its staff capability, skill and knowledge within its 4 Core Pillars, that underpins MGA's service and support for members in the areas of Workplace Relations and Employment Law, Training and Compliance and Industry Representation at a State and Federal government level.

**OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2010**

Highlights this year have been the FoodWorks Group of Supermarkets committing to a national MGA membership, the integration and absorption of Liquor Stores Association of Victoria (LSAV) into MGA to form Liquor Retailers Australia (LRA) and the increase in membership of liquor stores under the brands Cellarbrations, Bottlemart and The Bottle O. All industry stakeholders, including governments at State and Federal level, have applauded this wonderful and common sense initiative to create one united voice for independent packaged liquor retailers in Victoria and Australia.

Over the past 12 months MGA and LRA has successfully faced many challenges and embraced many opportunities on behalf of its members around Australia.

**The Year in Review**

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

- Retailer membership has grown by 18% and Corporate Membership has grown by 16%. Membership growth of Tasmanian membership continues to be robust. From 1st February 2010, FoodWorks committed to a national MGA membership - all 470 FoodWorks stores are now MGA members.
- 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.
- MGA's Workplace Relations service and support has been well recognised for its excellent service.
- 50 Fair Work Australia (FWA) seminars and numerous 1 on 1 meetings with members took place around Australia, as a result of receiving a grant of \$135,000 from FWA. Seminars included the delivery of industry education programmes.
- MGA Workplace Relations Team made numerous submissions to FWA with respect to minimising wage increases, reducing the minimum engagement for casuals from 3 to 2 hours and quashing the SDA submission to increase the minimum wage by \$2.88.
- MGA's communication mediums include the Independent Retailer magazine, fortnightly E Checkouts and the website. All mediums have significantly improved and been well received by members in all states. Further, investment and development of MGA's Filemaker Data Base system has enabled better understanding of resource allocation.
- MGA's November 2009 Industry Breakfast event was heavily subscribed with guest speakers including Fred Harrison and the Minister for Small Business in Victoria, Joe Helper.
- LRA's Committee has been working with much enthusiasm and vigour toward achieving fair and sustainable outcomes for Packaged Liquor License members.
- Workplace Relations seminars, such as the Know Your Award and National Retail Industry Award, 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 continues to make many submissions to, and attended many hearings with, State and Federal government departments.
- Strong and sustainable partnerships have been formed with key industry stakeholders such as Metcash, IGA>D, FoodWorks, Australian Liquor Marketers, Liquor Marketing Group, various industry service and product suppliers and State and Federal government politicians and bureaucrats.
- The completion of MGA's Compliance Management System (CMS) has been a significant highlight this year coupled with the granting of 150 Enterprise Based Productivity Placement Programmes. The Australian Flexible Learning Framework continue to financially support the CMS development. The On Line Ready 4 Work, Food Safety Handlers and Supervisors, and the Business Essentials programmes are also MGA training highlights.
- Membership services have been expanded and improved. The Retail Notices handbook has been updated and Master Grocers Insurance Services is gaining traction particularly since the underwriter, Latitude, was able to write specific Insurance Policies for the independent supermarket sector.
- MGA continues to consolidate its membership base in Tasmania, Western Australia, Victoria, Queensland, the Australian Capital Territory and New South Wales. MGA will continue to develop new industry memberships in Tasmania, the Northern Territory, South Australia and Queensland in the next financial year.

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

**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**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, 2010

**LIKELY DEVELOPMENTS**

Investment of MGA funds and resources will continue to be allocated to the development of support services for members. Membership in South Australia and Queensland is forecasted to increase along with additional members being sourced from the liquor sector.

**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 2010 is as follows:

<b>Name</b>	<b>Position</b>	<b>Period Held</b>
ALLEN, Rodney	President	1 July 2009 - 30 June 2010
MILLER, Stephen	Vice President	1 July 2009 - 30 June 2010
BRAY, Andrew	Director	1 July 2009 - 30 June 2010
COWLEY, Jean	Director	1 July 2009 - 30 June 2010
DALY, Michael	Director	1 July 2009 - 30 June 2010
DIXON, Jillian	Director	25 November 2009 - 30 June 2010
GARRETT, Leigh	Director	1 July 2009 - 30 June 2010
SMITH, Deborah	Director	1 July 2009 - 30 June 2010

**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 *26* day of *OCTOBER* 2010.



Director



Director

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

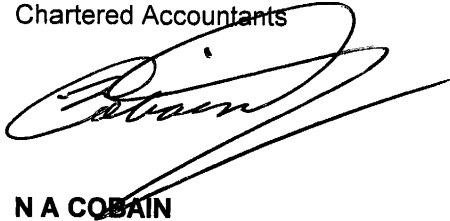
**AUDITORS' INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF MASTER GROCERS AUSTRALIA LIMITED**

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 2010 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 *26* day of *OCTOBER* 2010

**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 2010. 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

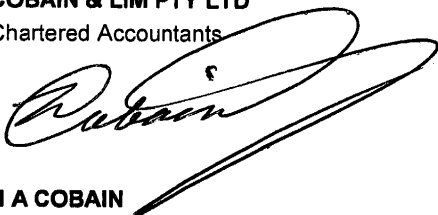
**Audit Opinion**

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 *Fair Work (Registered Organisations) Act 2009*.

DATED this 26 day of OCTOBER 2010

**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 2010**

I, Rodney Frederick Allen, being the President of Masters Grocers Australia Limited, certify:

- \* that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- \* that the full report was provided to members on        /        / 2010; and
- \* that the full report was presented to a general meeting of members of the reporting unit on        /        / 2010 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

**DATED** this        day of        2010.



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President