

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

**FINANCIAL RETURN  
FOR THE YEAR ENDED 30 JUNE 2007**

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

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

|  | NOTE | 2007<br>\$       | 2006<br>\$    |
|--|------|------------------|---------------|
| Operating Revenue  | 4    | 355,054          | 436,023       |
| Cost of Sales  |      | 87,582           | 65,840        |
|  |      |                  |               |
| Gross Profit   |      | 267,472          | 370,183       |
| Other Revenues from Ordinary Activities  | 4    | 382,546          | 324,693       |
| Strategic and National Development Expenses  |      | (122,781)        | -             |
| Training Expenses  |      | (61,228)         | (65,387)      |
| Occupancy Expenses   |      | (18,316)         | (21,470)      |
| Employee Expenses  |      | (601,936)        | (360,052)     |
| Administration Expenses  |      | (353,373)        | (248,162)     |
| Other Expenses from Ordinary Activities  |      | (87,874)         | (91,098)      |
| Proceeds from Sale of Investments / Assets   | 5(b) | 1,505,682        | 1,136,495     |
| Carrying Amount of Assets Sold   | 5(b) | (1,093,609)      | (954,280)     |
| Write Off Carrying Amount of Investment  |      | -                | -             |
| Grant Expenses Recovered   | 6    | 55,401           | -             |
|  |      |                  |               |
| Profit from Ordinary Activities before Income Tax Expense  |      | (128,016)        | 90,922        |
| Income Tax relating to Ordinary Activities   | 8    | -                | -             |
|  |      |                  |               |
| <b>Net Profit from Ordinary Activities after Income Tax Expense attributable to Members of the Company</b> |      | <b>(128,016)</b> | <b>90,922</b> |
|  |      |                  |               |
| <b>Total Changes In Association Membership Funds</b>   |      | <b>(128,016)</b> | <b>90,922</b> |
|  |      |                  |               |

The accompanying notes form part of these accounts

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

**BALANCE SHEET**  
**AS AT 30 JUNE 2007**

|                                      | NOTE | 2007<br>\$ | 2006<br>\$ |
|--------------------------------------|------|------------|------------|
| <b>CURRENT ASSETS</b>                |      |            |            |
| Cash                                 |      | 69,842     | 339,177    |
| Receivables                          | 9    | 171,000    | 80,409     |
| <b>Total Current Assets</b>          |      | 240,842    | 419,586    |
| <b>NON CURRENT ASSETS</b>            |      |            |            |
| Investments                          | 10   | 2,913,825  | 2,722,253  |
| Property, Plant & Equipment          | 11   | 1,319,168  | 1,256,410  |
| Intangible Assets                    | 12   | 24,350     | -          |
| <b>Total Non Current Assets</b>      |      | 4,257,343  | 3,978,663  |
| <b>TOTAL ASSETS</b>                  |      | 4,498,185  | 4,398,249  |
| <b>CURRENT LIABILITIES</b>           |      |            |            |
| Creditors & Borrowings               | 13   | 157,855    | 8,200      |
| Provisions                           | 14   | 11,417     | 52,662     |
| <b>Total Current Liabilities</b>     |      | 169,272    | 60,862     |
| <b>NON CURRENT LIABILITIES</b>       |      |            |            |
| Creditors & Borrowings               | 13   | -          | -          |
| Provisions                           | 14   | -          | 19,140     |
| Special Purpose Grants               | 6    | 138,681    | -          |
| <b>Total Non Current Liabilities</b> |      | 138,681    | 19,140     |
| <b>TOTAL LIABILITIES</b>             |      | 307,953    | 80,002     |
| <b>NET ASSETS</b>                    |      | 4,190,232  | 4,318,247  |
| <i>Represented by:</i>               |      |            |            |
| <b>ASSOCIATION MEMBERSHIP FUNDS</b>  |      |            |            |
| Accumulated Funds                    | 15   | 4,190,232  | 4,318,247  |
| <b>TOTAL MEMBERSHIP FUNDS</b>        |      | 4,190,232  | 4,318,247  |

The accompanying notes form part of these accounts

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**STATEMENT OF CASH FLOW**

|   | <b>2007</b>          | <b>2006</b>           |
|---|----------------------|-----------------------|
|   | <b>\$</b>            | <b>\$</b>             |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |                      |                       |
| Receipts from Members   | 234,507              | 231,615               |
| Receipts from Training programmes   | 50,843               | 156,341               |
| Receipts from Advertising   | 56,652               | 37,350                |
| Government Grants Received  | 259,900              | -                     |
| Receipts Other  | 127                  | 36,975                |
| Dividend & Trust Income Received  | 202,878              | 189,464               |
| Interest Received   | 24,728               | 30,114                |
| Rents Received  | 116,708              | 108,413               |
| Payments to suppliers and employees   | <u>(1,315,503)</u>   | <u>(831,033)</u>      |
| Net Cash Provided by (used in) Operating Activities   | <u>(369,160)</u>     | <u>(40,761)</u>       |
| <b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>   |                      |                       |
| Proceeds from sale of investments   | 1,456,721            | 1,124,859             |
| Proceeds from sale of plant & equipment   | 22,746               | 11,636                |
| Payments for plant and equipment  | (94,681)             | (31,462)              |
| Payments for investments  | <u>(1,284,961)</u>   | <u>(1,332,715)</u>    |
| Net Cash Provided by (used in) Investment Activities  | <u>99,825</u>        | <u>(227,682)</u>      |
| <b>NET INCREASE / (DECREASE) IN CASH HELD</b>   | <u>(269,335)</u>     | <u>(268,443)</u>      |
| <b>CASH AS AT START OF FINANCIAL YEAR</b>   | <u>339,177</u>       | <u>607,620</u>        |
| <b>CASH AS AT END OF FINANCIAL YEAR</b>   | <u><u>69,842</u></u> | <u><u>339,177</u></u> |
| <br>(a) Reconciliation of Operating Profit after income tax to net cash provided by (used in) operating activities: |                      |                       |
| Operating Profit / (Loss) after income tax  | (128,016)            | 90,922                |
| <b>Non-cash flows in operating profit:-</b>   |                      |                       |
| (Profit) / Loss on sale of investments  | (410,494)            | (191,216)             |
| (Profit) / Loss on sale of plant & equipment  | (1,580)              | 9,002                 |
| Depreciation  | 10,757               | 9,219                 |
| <b>Change in assets and liabilities:</b>  |                      |                       |
| (Increase) / Decrease   |                      |                       |
| - Trade Debtors   | (12,925)             | 26,259                |
| - Sundry Debtors, Prepayments & Receivables   | (30,503)             | 3,298                 |
| - Intangible Assets   | (24,350)             |                       |
| (Decrease) / Increase   |                      |                       |
| - Trade Creditors & Accruals  | 149,655              | (23,028)              |
| - Employee Provisions   | (60,385)             | 34,783                |
| - Special Purpose Grants  | 138,681              |                       |
| Net cash provided by operating activities   | <u>(369,160)</u>     | <u>(40,761)</u>       |

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 1 STATEMENT OF ACCOUNTING POLICIES**

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

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

**(a) Depreciation**

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

**(b) Employee entitlements**

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

**(c) Investments**

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

**(c) Receipt of Grant Funding**

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

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

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

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

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

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

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

**NOTE 3 DIRECTORS EMOLUMENTS**

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

|   | 2007<br>\$ | 2006<br>\$ |
|---|------------|------------|
| (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  | 61,875     | 61,250     |
| - Underprovision for Last Year  | -          | -          |
|   | 61,875     | 61,250     |

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

|  | 2007    | 2006    |
|--|---------|---------|
|  | \$      | \$      |
| <b>NOTE 4 REVENUE FROM ORDINARY ACTIVITIES</b> |         |         |
| Operating Revenue                              |         |         |
| Annual Membership Subscriptions                | 217,627 | 199,356 |
| Membership Subscriptions - Industrial Awards   | 29,805  | 6,000   |
| Magazine Advertising                           | 56,652  | 37,350  |
| Food Safety Workshop                           | 8,355   | 7,873   |
| Training Program - Other                       | 26,059  | 138,097 |
| RSA Workshop                                   | 16,429  | 10,372  |
| Other related income                           | 127     | 36,975  |
|  | 355,054 | 436,023 |
| Other Operating Revenue                        |         |         |
| Interest                                       | 34,728  | 30,114  |
| Dividends                                      | 87,645  | 98,467  |
| Trust Distributions                            | 143,036 | 85,956  |
| Rental income                                  | 116,708 | 108,413 |
| Other Income                                   | 429     | 1,743   |
|  | 382,546 | 324,693 |

**NOTE 5 PROFIT FROM ORDINARY ACTIVITIES**

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

|  |          |         |
|--|----------|---------|
| Auditors' Remuneration                               |          |         |
| - Audit of the Accounts                              | 8,200    | 8,100   |
| - Other Services                                     |          | -       |
| Bad Debts  | 11,144   | 4,500   |
| Depreciation   | 10,757   | 9,219   |
| Annual fee for affiliation with:                     |          |         |
| - Political Parties                                  | -        | -       |
| - A.R.A.V.   | -        | -       |
| - International Bodies                               | -        | -       |
| Donations  | -        | -       |
| Benefits to Holders of Office                        | 61,875   | 61,250  |
| Benefits to Employees (other than Holders of Office) | 599,687  | 356,478 |
| Legal Cost   | 43,039   | 20,816  |
| Meeting Cost   | 3,641    | 386     |
| Transfers to Provisions for Annual Leave             | (41,245) | 15,643  |
| Transfers to Provisions for Long Service Leave       | (19,140) | 19,140  |

**(b) Specific Net Gains and (Losses):**

|  |           |           |
|--|-----------|-----------|
| Proceeds from Sale of Investments          | 1,503,882 | 1,124,859 |
| Carrying Amount of Investments Sold        | 1,093,389 | 933,643   |
| Profit on Sale of Investments              | 410,494   | 191,216   |
| Proceeds from Sale of Plant & Equipment    | 1,800     | 11,636    |
| Carrying Amount of Plant & Equipment Sold  | 220       | 20,637    |
| Profit/(Loss) on Sale of Plant & Equipment | 1,580     | (9,001)   |

**THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

|   | <b>2007</b> | <b>2006</b> |
|---|-------------|-------------|
|   | <b>\$</b>   | <b>\$</b>   |
| <b>NOTE 6 SPECIAL PURPOSE GRANTS</b>  |             |             |
| <b>(i) Packaged Liquor Industry Development Trust Fund (PLIDTF)</b>                 |             |             |
| Opening balance   | -           | -           |
| <i>Add:</i>   |             |             |
| Funding received during year  | 220,500     | -           |
| <i>Less:</i>  |             |             |
| Directly Attributable Costs   | (37,128)    | -           |
| Grant Expenses Recovered  | (49,004)    | -           |
|   | 134,368     | -           |
| <br><b>(ii) Department of Innovation, Industry and Regional Development (DIIRD)</b> |             |             |
| Opening balance   | -           | -           |
| <i>Add:</i>   |             |             |
| Funding received during year  | 39,400      | -           |
| <i>Less:</i>  |             |             |
| Directly Attributable Costs   | (28,690)    | -           |
| Grant Expenses Recovered  | (6,397)     | -           |
|   | 4,313       | -           |
| <br>Total Grants Carried Forward  | <br>138,681 | <br>-       |

**NOTE 7 DIVIDENDS POLICY**

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

**NOTE 8 INCOME TAX**

The Organisation is exempt from Income Tax.



**THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

|                                | <b>2007</b>    | <b>2006</b>   |
|--------------------------------|----------------|---------------|
|                                | <b>\$</b>      | <b>\$</b>     |
| <b>NOTE 9 RECEIVABLES</b>      |                |               |
| <i>Current</i>                 |                |               |
| Trade Debtors                  | 58,130         | 40,480        |
| Less: Provision Doubtful Debts | (11,400)       | (6,675)       |
| Accrued Income                 | 59,602         | 31,370        |
| Withholding Tax Paid           | 1,572          | 9,512         |
| Sundry Debtors & prepayments   | 63,096         | 5,722         |
|                                | <u>171,000</u> | <u>80,409</u> |

*Non Current*

- -

**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

1,926,309

2,028,656

(Market Value at 30.6.07 \$3,105,140)

Units in listed managed funds

\* At cost

630,144

418,583

(Market Value at 30.6.07 \$701,185)

Units in listed property trusts

\* At cost

357,372

275,014

(Market Value at 30.6.07 \$410,300)

2,913,825

2,722,253

**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

168,266

101,418

Less accumulated depreciation

(68,660)

(64,570)

1,319,168

1,256,410

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

-

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

|  | <b>2007</b>      | <b>2006</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| <b>NOTE 13 CREDITORS AND BORROWINGS</b>                  |                  |                  |
| <i>Current</i>   |                  |                  |
| Trade Creditors  | 111,382          | -                |
| Sundry Creditors & Accruals                              | 43,350           | 8,200            |
| Credit Card  | 3,123            | -                |
|  | <u>157,855</u>   | <u>8,200</u>     |
| <br><i>Non Current</i>                                   |                  |                  |
|  | -                | -                |
|  | -                | -                |
| <br><b>NOTE 14 PROVISIONS</b>                            |                  |                  |
| <i>Current</i>   |                  |                  |
| Employee Entitlements - Provision for Annual Leave       | 11,417           | 52,662           |
|  | <u>11,417</u>    | <u>52,662</u>    |
| <br><i>Non Current</i>                                   |                  |                  |
| Employee Entitlements - Provision for Long Service Leave | -                | 19,140           |
|  | -                | <u>19,140</u>    |
|  | -                | <u>19,140</u>    |
| <br><b>NOTE 15 ACCUMULATED FUNDS</b>                     |                  |                  |
| Balance at the beginning of the financial year           | 4,318,248        | 4,227,326        |
| Net Profit attributable to Members                       | (128,016)        | 90,922           |
| Total Available for Appropriation                        | <u>4,190,232</u> | <u>4,318,248</u> |
| Dividends provided for or paid                           | -                | -                |
| Balance at the end of the financial year                 | <u>4,190,232</u> | <u>4,318,248</u> |
|  | <u>4,190,232</u> | <u>4,318,248</u> |

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 16 RELATED PARTY TRANSACTIONS**

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

|                                |                               |
|--------------------------------|-------------------------------|
| <b>ALLEN, Rodney Frederick</b> | <b>MILLER, Stephen Andrew</b> |
| <b>COWLEY, Jean</b>            | <b>CHEN, Tim</b>              |
| <b>BUCELLO, Sandra Gail</b>    | <b>SMITH, Debbie</b>          |
| <b>DALY, Michael</b>           | <b>DE SAUTY, Robert</b>       |
| <b>MORGAN, Peter</b>           |                               |

Emoluments due to the Directors for the 2007 year were as follows:

Mr. R. Allen received remuneration, being President Allowance from the company, of \$5,000  
Mr. R. Allen, Mr. S. Miller, Mr. M. Daly, Ms. J. Cowley, Mrs S. Bucello, Mr. T. Chen and Ms. D. Smith received remuneration, being director fees, from the Company of \$7,500 respectively  
Mr. R. De Sauty received remuneration, being director fees, from the Company of \$4,675.  
Ms. D. Smith received remuneration from the Company of \$9,170 as travel reimbursements.  
Mr. M. Daly received remuneration from the Company of \$4,418 as travel and mileage reimbursements.  
Mr. R. Allen received remuneration from the Company of \$706 as travel reimbursements.  
Ms. S. Bucello received remuneration from the Company of \$271 as mileage reimbursements.

(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 2007 the number of members was 615.

**NOTE 18 CONTINGENT LIABILITIES**

The company has a current claim against it that is being reviewed by its insurance underwriter. Excess payable by the company in the event of a negative settlement is \$1,000.

**NOTE 19 ECONOMIC DEPENDENCY**

There is no economic dependency on another reporting unit.

THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED  
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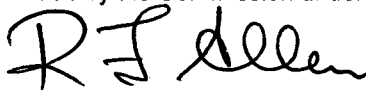
COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007

On the 2007 the Committee of Management of The Master Grocers' Association of Victoria Limited passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2007:

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

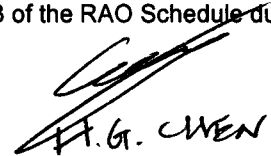
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial 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:

  
R. F. AUEN

Title of Office held:

PRESIDENT

  
H. G. CHEN  
Director

DATED this 13<sup>th</sup> day of September 2007.

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

**OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2007**

The Directors of The Master Grocers' Association of Victoria Limited present their report to the members on the results of the Company for the financial year ended 30 June 2007 and on the state of affairs of the Company as at that date

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

|                        |                       |                         |                 |
|------------------------|-----------------------|-------------------------|-----------------|
| <b>ALLEN, Rodney</b>   | <b>President</b>      | <b>DE SAUTY, Robert</b> | <b>Director</b> |
| <b>COWLEY, Jean</b>    | <b>Vice President</b> | <b>MILLER, Stephen</b>  | <b>Director</b> |
| <b>BUCELLO, Sandra</b> | <b>Director</b>       | <b>CHEN, Tim</b>        | <b>Director</b> |
| <b>DALY, Michael</b>   | <b>Director</b>       | <b>SMITH, Debbie</b>    | <b>Director</b> |

**PRINCIPAL ACTIVITY**

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

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

The Company publishes its own bi-monthly magazine and provides a comprehensive industrial relations advice service to its members. The Company also provides a training program for its members and a widespread series of valuable store assistance programs presented at store level.

**OPERATING RESULTS**

The net loss of the Company for the year is \$128,016.

**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 the number of members was 615.

**NUMBER OF EMPLOYEES**

As at year end the number of employees was 5 full time and 4 part time.

**REVIEW OF OPERATIONS**

This year the company embarked upon a national growth strategy aimed at satisfying interstate independent supermarkets requests for a national industry body to provide their businesses with support and service in the areas of Workplace Relations, Workplace Agreement Making, Training, Industry Representation and Networking Opportunities.

Whilst the company enjoyed full IGA and Foodworks membership in Victoria and Southern NSW and full Foodworks membership in greater NSW, the company also secured a commitment for full membership in 2007/2008 from IGA Western Australia and IGA greater NSW. The company has invested significantly in infrastructure and staff to support the ever increasing national demands on our company's services.

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

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

The company welcomed long time independent supermarket owner and retailer, Robert De Sauty to the board.

The MGA has been well represented by Jennifer Flanagan on a number of committees and advisory groups namely: The Small Business Advisory Committee, appointed by the Minister for Small Business, The OH&S Advisory Committee, appointed by the Minister for Workcover representing small businesses (supermarkets) in Victoria, The Liquor Licensing Advisory Council, appointed by the Minister for Consumer Affairs, National Association of Retail Grocers Australia and Australian Liquor Stores Association.

Jenny has represented our industry in an exemplary manner with the utmost of integrity.

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

**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**SIGNIFICANT CHANGES**

There were significant changes to the state of affairs of the company for the year. In October 2006, Jos de Bruin was appointed the company's National CEO, replacing Jennifer Flanagan after 9 years exemplary service.

The company recognised 2 core pillars of its business that needed immediate development to service its members, they being Workplace Relations and Training. The company has appointed 2 senior managers in Marie Brown, Legal Counsel – Workplace Relations and Michael Russell, National Training Manager.

Staff numbers have grown from 6 (FT/PT) to 12 (FT/PT).

**EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

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

- (i) the operations of the Company;
- (ii) the results of those operations, or
- (iii) the state of affairs of the Company, in the financial years subsequent to 30th June, 2007

**LIKELY DEVELOPMENTS**

There are no likely developments significant to members at the time of this report.

**RIGHT OF MEMBERS TO RESIGN**

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

**SUPERANNUATION TRUSTEES**

There is no superannuation trustee for the reporting unit.

In accordance with a resolution of the Directors

DATED this 13<sup>th</sup> day of September 2007.



Director



Director

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

**INDEPENDENT AUDITORS REPORT**

**Scope**

We have audited the accounts, being the Income Statement, Balance Sheet, Statement of Cash Flows and Notes to and forming part of the accounts of The Masters Grocers' Association of Victoria Limited for the year ended 30th June 2007. The Company's Directors are responsible for the preparation and presentation of the accounts and the information they contain.

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

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the 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.

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

**Audit Opinion**

In our opinion,

- (a) the accounts of The Master Grocers' Association of Victoria Limited are properly drawn up so as to give a true and fair view of:
  - (i) the state of affairs of the company as at 30th June, 2007 and of the profit and cash flows of the company for the year ended on that date; and
  - (ii) the other matters required by Division 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements.
- (b) the attached general purpose financial report are presented fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the RAO Schedule.
- (c) there were kept by the Company in respect of the year, satisfactory accounting records detailing the sources and nature of the income of the Company (including income from members) and the nature and purposes of expenditure; and
- (d) the attached financial statements, prepared in accordance with section 273 of the Workplace Relations Act 1996 are properly drawn up so as to give a true and fair view of:
  - (i) the financial affairs of the Company as at 30 June 2007;
  - (ii) the income and expenditure account, and result of the Company for the year ended on that date; and
  - (iii) all information, being information which was reasonably wanted for the purpose of this audit, which was required and sought by Cobain & Lim Pty Ltd or by any person authorised by it for the purpose of the audit, was provided.

We also understand that to the extent that there was any deficiency, failure or shortcoming in relation to the matters referred to above, we must report those matters in this report.

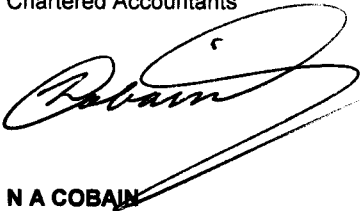
**THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED**  
**A.C.N. 004 063 263**

**INDEPENDENT AUDITORS REPORT**

DATED this *18<sup>th</sup>* day of *September* 2007

**COBAIN & LIM PTY LTD**

Chartered Accountants

A large, stylized handwritten signature in black ink, appearing to read 'N A Cobain', is written over the text 'Chartered Accountants' and extends downwards towards the name 'N A COBAIN'.

**N A COBAIN**

Chartered Accountant

218 / 566 St. Kilda Rd  
MELBOURNE 3004



# **Cobain & Lim Pty. Ltd.**

ABN 84 006 037 850

**Tax Agents, Auditors & Business Consultants**

**NORM COBAIN F.C.A.**

**HOCK LIM C.A.**

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**Telephone:** (03) 9510 5233  
**Fax:** (03) 9521 7900  
**Email:** [nacobain@bigpond.com](mailto:nacobain@bigpond.com)

## **Auditor's Independence Declaration**

As lead auditor for the audit of The Masters Grocers' Association of Victoria Limited for the year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of the audit of the accounts of The Masters Grocers' Association of Victoria Limited for the year ended 30 June 2007.



Norman A. Cobain  
Director

Melbourne  
18<sup>th</sup> September 2007



**Chartered  
Accountants**