

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

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

**I N D E X**

Page:

- |     |   |
|-----|---|
| 1.  | Directors Report                          |
| 4.  | Income Statement                          |
| 5.  | Balance Sheet                             |
| 6.  | Notes to and Forming Part of the Accounts |
| 13. | Statement by Directors                    |
| 14. | Independent Auditors Report               |

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

**DIRECTORS 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 of The Master Grocers Association of Victoria Limited hold office 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.

**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**

**DIRECTORS 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.

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

DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2007

DETAILS OF DIRECTORS

Name	Year Appt.	Other Directorships
Stephen A. MILLER	2000	Ian Dietrich Investments Pty Ltd Astson Pty Ltd S & Y Miller Investments Pty Ltd Independent Retailer Pty Ltd Local Grocer Pty Ltd
Michael A. DALY	2001	Kevmille Pty Ltd Houseinvest.com Pty Ltd M.A. Daly Family Trust Pty Ltd
Jean COWLEY	2001	Point Lonsdale Supermarket Pty Ltd Cowley Business Holdings Pty Ltd Jean Cowley Retail Services Pty Ltd
Rodney F. ALLEN	2002	Mount Martha Village Self Service Pty Ltd Nizark Holdings Pty Ltd Herod Pty Ltd Independent Retailer Pty Ltd Local Grocer Pty Ltd
Sandra G. BUCELLO	2003	BLM Business Learning Material Pty Ltd J & S Bucello Pty Ltd
Hua Guo (Tim) CHEN	2005	CCH Supermarket Pty Ltd
Deborah May SMITH	2006	A & D (QLD) Holdings Pty Ltd Australian United Retailers Ltd
Robert DE SAUTY	2007	Alpine Way Supermarkets Pty Ltd Elken Trial Pty Ltd De Sauty Pty Ltd Oyster Lane Pty Ltd St. Swans Pty Ltd

DIRECTORS BENEFITS

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

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**

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

	NOTE	2007 \$	2006 \$
Operating Revenue	3	355,054	436,023
Cost of Sales		87,582	65,840
		<hr/>	
Gross Profit		267,472	370,183
Other Revenues from Ordinary Activities	3	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	4	1,505,682	1,136,495
Carrying Amount of Assets Sold	4	(1,093,609)	(954,280)
Write Off Carrying Amount of Investment		-	-
Grant Expenses Recovered	5	55,401	-
		<hr/>	
Profit from Ordinary Activities before Income Tax Expense		(128,016)	90,922
Income Tax relating to Ordinary Activities	7	-	-
		<hr/>	
<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>
		<hr/>	
<b>Total Changes in Association Membership Funds</b>		<b>(128,016)</b>	<b>90,922</b>
		<hr/> <hr/>	

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 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash		69,842	339,177
Receivables	8	171,000	80,409
<b>Total Current Assets</b>		240,842	419,586
<b>NON CURRENT ASSETS</b>			
Investments	9	2,913,825	2,722,253
Property, Plant & Equipment	10	1,319,168	1,256,410
Intangible Assets	11	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	12	157,855	8,200
Provisions	13	11,417	52,662
<b>Total Current Liabilities</b>		169,272	60,862
<b>NON CURRENT LIABILITIES</b>			
Creditors & Borrowings	12	-	-
Provisions	13	-	19,140
Special Purpose Grants	5	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	14	4,190,232	4,318,248
<b>TOTAL MEMBERSHIP FUNDS</b>		4,190,232	4,318,248

The accompanying notes form part of these accounts

**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) and the Corporations Law, including the disclosure requirements of Schedule 5 of the Corporations Regulations. Accounting Standards include Australian equivalents to International Financial Reporting Standards. The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. The accounting policies have been consistently applied unless otherwise stated.

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

**a) 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.

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>

**NOTE 2 DIRECTORS EMOLUMENTS**

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

(i) Directors engaged in the full time employment of the Company	NIL	NIL
(ii) Other Directors of the Company - Fees/Allowance for attendance as representatives at meetings received by directors of the company		
- Current Year	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**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3 REVENUE FROM ORDINARY ACTIVITIES</b>		
Operating Revenue		
Subscriptions and Magazine Income	274,279	236,706
Food Safety Workshop	8,355	7,873
Training Program - Other	26,059	138,097
MGAV Agreement	29,805	6,000
RSA Workshop	16,429	10,372
Other related income	127	36,975
	<b>355,054</b>	<b>436,023</b>
Other 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
	<b>382,546</b>	<b>324,693</b>

**NOTE 4 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
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	<b>410,494</b>	<b>191,216</b>
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	<b>1,580</b>	<b>(9,001)</b>



**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
	\$	\$

**NOTE 5 SPECIAL PURPOSE GRANTS**

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

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	-
	134,368	-

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

Opening balance	-	-
<i>Add:</i>		
Funding received during year	39,400	-
<i>Less:</i>		
Directly Attributable Costs	(28,691)	-
Grant Expenses Recovered	(6,397)	-
	4,313	-
	4,313	-

Total Grants carried forward	138,681	-
------------------------------	---------	---

**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

**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 8 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>
	<u>-</u>	<u>-</u>
<i>Non Current</i>		

**NOTE 9 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 \$3,015,140)

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 10 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 11 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 12 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>
 <i>Non Current</i>		
	<u>-</u>	<u>-</u>
 <b>NOTE 13 PROVISIONS</b>		
<i>Current</i>		
Employee Entitlements - Provision for Annual Leave	11,417	52,662
	<u>11,417</u>	<u>52,662</u>
 <i>Non Current</i>		
Employee Entitlements - Provision for Long Service Leave	-	19,140
	<u>-</u>	<u>19,140</u>
 <b>NOTE 14 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>

**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 15 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>69,842</u>	<u>339,177</u>
 (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 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.

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


STATEMENT BY DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2007

In the opinion of the Directors of the Company;

1. (a) The accompanying Income Statement is drawn up so as to give a true and fair view of the results of the Association, in so far as they concern members of the Association, for the financial year ended 30 June 2007.
- (b) The accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the Association, in so far as they concern members of the Association, as at the end of that financial year.
- (c) At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due,

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

DATED this 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 Statement of Directors, Income Statement, Balance Sheet, Statement of Cash Flows, and Notes to and forming part of the accounts of The Master 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, the accounts of The Master Grocers' Association of Victoria Limited are properly drawn up:

- (a) 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) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

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

**COBAIN & LIM PTY LTD**  
Chartered Accountants



**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.**

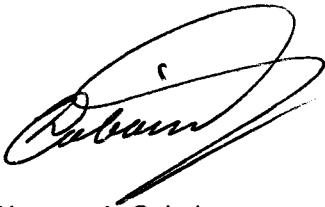
**Office:** The Jewel  
Suite 218, 2<sup>nd</sup> Floor  
566 St. Kilda Road  
Melbourne 3004  
**Telephone:** (03) 9510 5233  
**Fax:** (03) 9521 7900  
**Email:** [nacobain@bigpond.com](mailto:nacobain@bigpond.com)

## **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**