

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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**I N D E X**

Page:

1.	Directors Report
5.	Income Statement
6.	Balance Sheet
7.	Notes to and Forming Part of the Accounts
15.	Statement by Directors
16.	Independent Auditors Report

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

**DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

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 2008 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>GARRETT, Leigh</b>	<b>Director</b>
<b>COWLEY, Jean</b>	<b>Director</b>	<b>MILLER, Stephen</b>	<b>Vice President</b>
<b>DALY, Michael</b>	<b>Director</b>	<b>SMITH, Deborah</b>	<b>Director</b>
<b>DE SAUTY, Robert</b>	<b>Director</b>		

**PRINCIPAL ACTIVITY**

The Master Grocers' Association of Victoria Limited is an Industry 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 8 editions of its magazine per year 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 \$175,068.

**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 (MGA) continued to engage in its 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.

The Company enjoyed full IGA and Foodworks membership in Victoria, Southern NSW, greater NSW as well as IGA Western Australia. New members have joined the MGA from Tasmania and the Northern Territory. The Liquor Stores Association of Western Australia has engaged the MGA to be its Workplace Relations Provider. 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 MGA continues to grow its relationships with the marketing boards in each state and is appreciative of their support.

The Company welcomed its very first Western Australian representative on the Board, supermarket owner, Leigh Garrett.

The MGA has been well represented on a number of State and National committees and advisory groups namely: Jos de Bruin - the national boards of the National Association of Retail Grocers Australia and the Australian Liquor Stores Association, The Victorian Retail Planning Policy Review Committee, The Produce and Grocery Industry Code Committee. Sandy Bucello - The Victorian Small Business Advisory Committee, appointed by the Minister for Small Business

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

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

Marie Brown - Occupational Health and Safety - The State Representative Group  
Jennifer Flanagan - 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.

All MGA representatives have represented our industry in an exemplary manner with the utmost of integrity.

**The Year in Review**

The focus of the Company in the past year has been to consolidate the new and existing membership base in Victoria, NSW and WA by exceeding member expectations in the areas of Workplace Relations, Compliance Training, Industry Communication and Industry Representation.

The Company established relationships with key industry stakeholders in SA, TAS, NT and QLD as part of its future membership growth strategy. Relationships with existing stakeholders - Brands, wholesalers, suppliers and boards have been strengthened.

The year commenced with the MGA launching its new highly recognisable industry logo and colours. Marketing and promotion of the MGA were two very important and insightful elements, as uncovered in extensive industry research, in positioning the MGA as a modern, energised and relevant industry association serving its members consistently and professionally.

The MGA launched many new initiatives throughout the year that have been greatly valued by members, namely:

**Workplace Relations:** Lead by Marie Brown - Legal Counsel - Improved membership services delivered by a team of five qualified workplace relations advisors; seminars and forums; Workplace Agreement Making Service; and representation and formation of member working committees.

**Compliance Training:** Lead by Michael Russell - National Training Manager - Development and implementation of an industry Ready for Work Program; Delivery of a one day OH&S compliance training program; Responsible Service of Alcohol CD Rom based training; Food Safety for handlers and supervisors; and Free OH&S store audits and action plans.

**Industry Representation:** Development and lodging of various state and federal submissions - ACCC, AFPC, Productivity Commission, AIRC, National Weights and Measures, Senate Economics Committee  
State Governments (tobacco, liquor, OH&S, Workers Comp etc.) and Directorships of NARGA and ALSA.

**Industry Connection:** The MGA conducts two highly attended unique industry functions - Industry Golf Day and Industry Dinner Dance/Ball. Members come together at industry information forums and committees.

**Key Initiatives - The Environment:** Significant energy has been channelled into delivering a number of industry "Keen To Be Green" initiatives to assist members to be proactive in having a positive influence on Climate Change, i.e. policies, in store posters, and Plastic Bag POS to remind consumers to reduce their plastic bag usage.

**Scanning Code of Practice:** The MGA has written an industry specific "Scanning Code of Practice". The MGA will manage and administer the Code.

**Industry Insurance:** The Company, in response to industry research findings and after rigorous due diligence, selected Austbrokers (A national insurance broker) to deliver to members industry specific insurance - business and private. The name of the insurance company will be Master Grocers Australia Insurance Services.

**SIGNIFICANT CHANGES**

There are no significant changes other than those described in the Review of Operations.

Staff numbers remain constant at 10 full time and 3 part time staff.

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

**DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

**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, 2008

**LIKELY DEVELOPMENTS**

The Company has embarked upon a significant industry opportunity and initiative requiring an historical investment commitment. This investment is in response to the member research carried out in 2007 and early 2008 and subsequent insights of industry weakness and vulnerability in the area of independent supermarket compliance management for small, medium and large businesses. This Compliance Management System will be developed in conjunction with a joint venture partner, Business Learning Materials. Development has commenced with piloting and testing commencing on 1st October 2008 and launch to industry on the 1st March 2009.

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

DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2008

DETAILS OF DIRECTORS

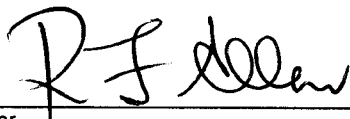
Name	Year Appt.	Other Directorships
Stephen A. MILLER	2000	Ian Dietrich Investments Pty Ltd Astson Pty Ltd S & Y Miller Investments Pty Ltd Independent Retailer Pty Ltd Local Grocer Pty Ltd
Michael A. DALY	2001	Kevmille Pty Ltd Houseinvest.com Pty Ltd M.A. Daly Family Trust Pty Ltd The Network Company Pty Ltd
Jean COWLEY	2001	Point Lonsdale Supermarket Pty Ltd Cowley Business Holdings Pty Ltd Jean Cowley Retail Services Pty Ltd
Rodney F. ALLEN	2002	Mount Martha Village Self Service Pty Ltd Nizark Holdings Pty Ltd Herod Pty Ltd Independent Retailer Pty Ltd Local Grocer Pty Ltd
Deborah May SMITH	2006	A & D (QLD) Holdings Pty Ltd Australian United Retailers Ltd DAALT Pty Ltd
Robert DE SAUTY	2006	Alpine Way Supermarkets Pty Ltd Elken Trial Pty Ltd De Sauty Pty Ltd Oyster Lane Pty Ltd St. Swans Pty Ltd
Leigh GARRETT	2008	No other Directorships

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 3<sup>rd</sup> day of October 2008.



Director



Director

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

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	NOTE	2008 \$	2007 \$
Operating Revenue	3	795,519	355,054
Cost of Sales		67,589	87,582
<hr/>			
Gross Profit		727,930	267,472
Other Revenues from Ordinary Activities	3	258,152	382,546
National Development Expenses		(79,927)	(122,781)
Training Expenses		(60,814)	(61,228)
Occupancy Expenses		(17,958)	(18,316)
Employee Expenses		(679,454)	(601,936)
Administration Expenses		(232,530)	(353,373)
Depreciation and Amortisation Expense		(26,627)	(10,757)
Other Expenses from Ordinary Activities		(189,163)	(77,117)
Proceeds from Sale of Investments / Assets	4	1,049,038	1,505,682
Carrying Amount of Assets Sold	4	(943,148)	(1,093,609)
Grant Expenses Recovered	5	19,433	55,401
<hr/>			
Profit from Ordinary Activities before Income Tax Expense		(175,068)	(128,016)
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>		<u>(175,068)</u>	<u>(128,016)</u>
<b>Total Changes in Association Membership Funds</b>		<u><u>(175,068)</u></u>	<u><u>(128,016)</u></u>

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 2008**

	NOTE	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash		134,413	69,842
Receivables	8	121,276	171,000
<b>Total Current Assets</b>		<u>255,689</u>	<u>240,842</u>
<b>NON CURRENT ASSETS</b>			
Investments	9	2,507,285	2,913,825
Property, Plant & Equipment	10	1,320,734	1,319,168
Intangible Assets	11	21,915	24,350
Training Strategy	12	153,937	-
<b>Total Non Current Assets</b>		<u>4,003,871</u>	<u>4,257,343</u>
<b>TOTAL ASSETS</b>		<u>4,259,560</u>	<u>4,498,184</u>
<b>CURRENT LIABILITIES</b>			
Creditors & Borrowings	13	121,105	157,855
Provisions	14	33,416	11,417
Special Purpose Projects	15	89,875	-
<b>Total Current Liabilities</b>		<u>244,396</u>	<u>169,272</u>
<b>NON CURRENT LIABILITIES</b>			
Special Purpose Grants	5	-	138,681
<b>Total Non Current Liabilities</b>		<u>-</u>	<u>138,681</u>
<b>TOTAL LIABILITIES</b>		<u>244,396</u>	<u>307,952</u>
<b>NET ASSETS</b>		<u>4,015,164</u>	<u>4,190,232</u>
<i>Represented by:</i>			
<b>ASSOCIATION MEMBERSHIP FUNDS</b>			
Accumulated Funds	16	4,015,164	4,190,232
<b>TOTAL MEMBERSHIP FUNDS</b>		<u>4,015,164</u>	<u>4,190,232</u>

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 2008**

**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.

	2008	2007
	\$	\$

**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	59,600	61,875
- Underprovision for Last Year	-	-
	59,600	61,875



**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 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3 REVENUE FROM ORDINARY ACTIVITIES</b>		
Operating Revenue		
Subscriptions	481,341	217,627
Magazine Income	94,228	56,652
Food Safety Workshop	15,115	8,355
OHS Training	53,520	26,059
MGAV Agreement and Fees for Service	114,800	29,932
RSA Workshop	20,941	16,429
Other related income	15,574	
	<u>795,519</u>	<u>355,054</u>
Other Revenue		
Interest	32,420	34,728
Dividends	116,386	87,645
Trust Distributions	40,828	143,036
Rental income	68,047	116,708
Other Income	471	429
	<u>258,152</u>	<u>382,546</u>

**NOTE 4 PROFIT FROM ORDINARY ACTIVITIES**

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

Auditors' Remuneration		
- Audit of the Accounts	7,500	8,200
- Other Services	-	-
Bad Debts	4,257	11,144
Depreciation	24,192	10,757
Amortisation	2,435	-
Transfers to Provisions for Annual Leave	21,998	(41,245)
Transfers to Provisions for Long Service Leave	-	(19,140)

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

Proceeds from Sale of Investments	1,049,038	1,503,882
Carrying Amount of Investments Sold	943,148	1,093,389
Profit on Sale of Investments	<u>105,890</u>	<u>410,493</u>
Proceeds from Sale of Plant & Equipment	-	1,800
Carrying Amount of Plant & Equipment Sold	-	220
Profit/(Loss) on Sale of Plant & Equipment	<u>-</u>	<u>1,580</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 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5 SPECIAL PURPOSE GRANTS</b>		
<b>(i) Packaged Liquor Industry Development Trust Fund (PLIDTF)</b>		
Opening balance	134,368	-
<i>Add:</i>		
Funding received during year	-	220,500
<i>Less:</i>		
Directly Attributable Costs	(69,056)	(37,128)
Grant Expenses Recovered	(15,312)	(49,004)
Funding Allocated to Training Strategy	(50,000)	
	-	134,368
	-	134,368
 <b>(ii) Department of Innovation, Industry and Regional Development (DIIRD)</b>		
Opening balance	4,313	-
<i>Add:</i>		
Funding received during year	-	39,400
Directly Attributable Costs exceeding Grant Funds	8,742	
<i>Less:</i>		
Directly Attributable Costs	(8,933)	(28,690)
Grant Expenses Recovered	(4,122)	(6,397)
	4,313	4,313
	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 2008**

	2008	2007
	\$	\$
<b>NOTE 8 RECEIVABLES</b>		
<i>Current</i>		
Trade Debtors	96,056	58,130
Less: Provision Doubtful Debts	(6,350)	(11,400)
Accrued Income	16,576	59,602
Withholding Tax Paid	-	1,572
Sundry Debtors & prepayments	14,994	63,096
	121,276	171,000
 <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

1,979,715 1,926,309

(Market Value at 30.6.08 \$2,596,069)

Units in listed managed funds

\* At cost

285,000 630,144

(Market Value at 30.6.08 \$248,288)

Units in listed property trusts

\* At cost

242,570 357,372

(Market Value at 30.6.08 \$188,195)

2,507,285 2,913,825

**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

194,024 168,266

Less: accumulated depreciation

(92,852) (68,660)

1,320,734 1,319,168

The properties at 1 Milton Pde, 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

Less: accumulated amortisation

(2,435)

21,915 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 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12 TRAINING STRATEGY</b>		
Invested during the year in Compliance Management Systems:		
- Directly Attributable Costs	97,647	
- Employee Expenses Recovered	106,290	
<i>Less:</i>		
- Funding allocated from PLIDTF	(50,000)	
	<u>153,937</u>	<u>-</u>

<b>NOTE 13 CREDITORS AND BORROWINGS</b>		
<i>Current</i>		
Trade Creditors	46,491	111,382
Sundry Creditors & Accruals	68,119	43,350
Credit Card	6,495	3,123
	<u>121,105</u>	<u>157,855</u>

<b>NOTE 14 PROVISIONS</b>		
<i>Current</i>		
Employee Entitlements - Provision for Annual Leave	33,416	11,417
	<u>33,416</u>	<u>11,417</u>

<b>NOTE 15 SPECIAL PURPOSE PROJECTS</b>		
<b>(i) Planning Review Committee (PRC)</b>		
MGA commitment to PRC	40,000	
<i>Add:</i>		
Funding received from co-contributors during the year	80,000	
<i>Less:</i>		
Project costs expensed during year	(30,125)	
	<u>89,875</u>	<u>-</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 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 16 ACCUMULATED FUNDS</b>		
Balance at the beginning of the financial year	4,190,232	4,318,248
Net Profit attributable to Members	(175,068)	(128,016)
Total Available for Appropriation	<u>4,015,164</u>	<u>4,190,232</u>
Dividends provided for or paid	-	-
Balance at the end of the financial year	<u><u>4,015,164</u></u>	<u><u>4,190,232</u></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 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 17 STATEMENT OF CASH FLOW</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from Members	552,963	234,507
Receipts from Training programmes	104,826	50,843
Receipts from Advertising	94,228	56,652
Government Grants Received	-	259,900
Receipts Other	-	127
Dividend & Trust Income Received	157,685	202,878
Interest Received	32,420	24,728
Rents Received	68,047	116,708
Payments to suppliers and employees	<u>(1,432,271)</u>	<u>(1,315,503)</u>
Net Cash Provided by (used in) Operating Activities	<u>(422,102)</u>	<u>(369,160)</u>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Proceeds from sale of investments	1,049,039	1,456,721
Proceeds from sale of plant & equipment	-	22,746
Payments for plant and equipment	(25,758)	(94,681)
Payments for investments	(536,608)	(1,284,961)
Net Cash Provided by (used in) Investment Activities	<u>486,673</u>	<u>99,825</u>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<u>64,571</u>	<u>(269,335)</u>
<b>CASH AS AT START OF FINANCIAL YEAR</b>	<u>69,842</u>	<u>339,177</u>
<b>CASH AS AT END OF FINANCIAL YEAR</b>	<u>134,413</u>	<u>69,842</u>
 (a) Reconciliation of Operating Profit after income tax to net cash provided by (used in) operating activities:		
Operating Profit / (Loss) after income tax	(175,068)	(128,016)
<b>Non-cash flows in operating profit:-</b>		
(Profit) / Loss on sale of investments	(105,891)	(410,494)
(Profit) / Loss on sale of plant & equipment	-	(1,580)
Depreciation and amortisation	26,627	10,757
<b>Change in assets and liabilities:</b>		
(Increase) / Decrease		
- Trade Debtors	(42,976)	(12,925)
- Sundry Debtors, Prepayments & Receivables	(61,237)	(30,503)
- Intangible Assets	-	(24,350)
(Decrease) / Increase		
- Trade Creditors & Accruals	(36,750)	149,655
- Employee Provisions	21,999	(60,385)
Special Purpose Grants	<u>(48,806)</u>	<u>138,681</u>
Net cash provided by operating activities	<u>(422,102)</u>	<u>(369,160)</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 2008**

**NOTE 18 RELATED PARTY TRANSACTIONS**

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

**ALLEN**, Rodney Frederick  
**COWLEY**, Jean  
**DALY**, Michael Andrew  
**DE SAUTY**, Robert Edward  
**GARRETT**, Leigh

**MILLER**, Stephen Andrew  
**SMITH**, Deborah May  
**BUCELLO**, Sandra  
**CHEN**, Hua Guo

Emoluments due to the Directors for the 2008 financial year were as follows:

Mr. R. Allen received remuneration, being President Allowance from the company, of \$5,000

Mr. R. Allen, Ms. J. Cowley, Mr. S. Miller, Mr. M. Daly, Mr. R. De Sauty, and Ms. D. Smith received remuneration, being director fees, from the Company of \$7,500 respectively

Mr. H. Chen received remuneration, being director fees, from the Company of \$4,245.

Ms. S. Bucello received remuneration, being director fees, from the Company of \$2,100.

Mr. L. Garrett received remuneration, being director fees, from the Company of \$3,255.

Travel costs paid on behalf of and/or reimbursed by the Company for Ms. D. Smith was \$8,594.

Mr. M. Daly received remuneration from the Company of \$1,624 as travel and mileage reimbursements.

Ms. S. Bucello received remuneration from the Company of \$177 as mileage reimbursements.

Mr. L. Garrett received remuneration from the Company of \$2,676 as travel reimbursements.

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

**NOTE 19 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 2008, there were 1,098 members and 18 associate members.

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

STATEMENT BY DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2008

In the opinion of the Directors of the Company;

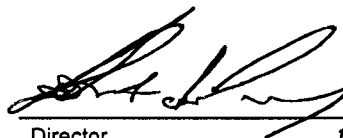
1. (a) The accompanying Income Statement is drawn up so as to give a true and fair view of the results of the Association, in so far as they concern members of the Association, for the financial year ended 30 June 2008.
- (b) The accompanying Balance Sheet is drawn up so as to give a true and fair view 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 3<sup>rd</sup> day of October 2008



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 2008. 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, 2008 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 *3<sup>rd</sup>* day of *October* 2008

**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 2008, 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 2008.



Norman A. Cobain  
F.C.A.

Melbourne

Dated this *3<sup>rd</sup>* day of *October* 2008



**Chartered  
Accountants**