



Fair Work
Commission

7 December 2023

Lincoln Wymer
President
Master Grocers Australia Limited
Sent via email: admin@mga.asn.au
CC: elliott31@optusnet.com.au

Dear Lincoln Wymer

**Master Grocers Australia Limited
Financial Report for the year ended 30 June 2023 – (FR2023/159)**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Master Grocers Australia Limited. The documents were lodged with the Fair Work Commission (the Commission) on 30 November 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2024 may be subject to an advanced compliance review.

Reporting Requirements

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Mihiri Jayawardane
Fair Work Commission

I N D E X

| Page | General Purpose Financial Reports |
|-------------|--|
| 1 | Designated Officer's Certificate |
| 2 | Subsection 255 (2A) Expenditure Report |
| 3 | Operating Report |
| 5 | Committee of Management Statement |
| 6 | Statement of Profit or Loss and Other Comprehensive Income |
| 7 | Statement of Financial Position |
| 8 | Statement of Changes in Equity |
| 9 | Statement of Cash Flows |
| 10-38 | Notes to Financial Statements |
| 39 | Officer Declaration Statement |
| 40 | Auditors' Independence Declaration |
| 41-43 | Independent Auditors Report |

**MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

I, Lincoln Wymer, being the President of Masters Grocers Australia Limited, certify:

- * that the documents lodged herewith are copies of the full report for Master Grocers Australia Limited, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- * that the full report was provided to the members of Master Grocers Australia Limited on 1st November 2023 and
- * that the full report was presented to a general meeting of members of Master Grocers Australia Limited on 24th November 2023 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Dated this 29th day of Nov 2023



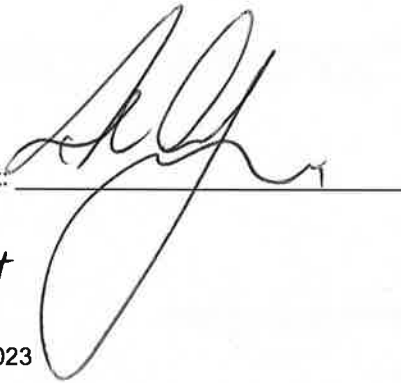
A handwritten signature in black ink, appearing to read 'Lincoln Wymer', is written over a horizontal line. The signature is stylized and cursive.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
SUBSECTION 255(2A) EXPENDITURE REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The Committee of Management presents the expenditure report for Master Grocers Australia Limited as required under subsection 255(2A) for the year ended 30 June 2023

| Categories Of Expenditure | 2023 | 2022 |
|--|-------------|-------------|
| | \$ | \$ |
| Remuneration and other employment related costs and expenses - employees | 1,807,785 | 1,652,801 |
| Advertising | 21,180 | 21,413 |
| Operating Costs | 575,402 | 541,233 |
| Donations to political parties | - | - |
| Legal Costs | 2,300 | 2,411 |

For the Committee of Management:



Title of Office held: *President*

DATED this *25*th day of October 2023

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The Committee of Management of Master Grocers Australia Limited ("the Company") presents its report on the results of the Company for the financial year ended 30 June 2023

MEMBERSHIP OF THE COMMITTEE OF MANAGEMENT

The membership of the Committee of Management during the year ended 30th June 2023 is as follows:

| Name | Current Position | Period on the Committee |
|---------------------------------|-------------------------|--------------------------------|
| ANILE, Rosario (Ross) | Director | 1 July 2022 to 30 June 2023 |
| DOS SANTOS, Christopher (Chris) | Director | 1 July 2022 to 30 June 2023 |
| GOUGH, Graeme James | Director | 1 July 2022 to 30 June 2023 |
| HARPER, Donald Jeffery (Jeff) | Director | 1 July 2022 to 30 June 2023 |
| HINCHCLIFFE, Grant John | Vice President | 1 July 2022 to 30 June 2023 |
| PAREKH Ripple Himanshu | Director | 1 July 2022 to 30 June 2023 |
| SLAUGHTER, Terry | Director | 1 July 2022 to 30 June 2023 |
| SMITH, Deborah May | Director | 1 July 2022 to 30 June 2023 |
| WYMER, Lincoln George | President | 1 July 2022 to 30 June 2023 |

PRINCIPAL ACTIVITIES

Trading as MGA Independent Retailers and Timber Merchants Australia, the Company is a national Industry Employer Association which is dedicated to the business well being of its members. The Company provides independent retail grocery, liquor, timber and hardware stores with services and support in the following major areas.

Employment and Industrial Law Assistance, including:

- Fair Work Commission or court claims
- Requests from regulators, such as the Fair Work Commission
- Termination of employment
- Workplace health and safety/injury management
- Equal opportunity/discrimination
- Management of underperformance
- Management of poor behaviour/conduct
- Interpretation of awards and enterprise agreements, including advice re wages and entitlements
- Policies and procedures
- Contracts of employment
- Industrial disputes

Advocacy - representing member's views at all levels of government

Accredited training - state specific food safety and responsible service of alcohol training, timber knowledge training and tobacco compliance

Staying informed - fortnightly "checkout" newsletters plus regular e-alerts and magazines containing the latest industry news

Member benefits - our corporate partners help our members to save money with tailored sector specific insurance policies and solutions requirements such as electricity, gas and merchant payment facilities

Networking - industry breakfasts, golf days and other events

There was no significant change in the nature of the Company's activities.

NUMBER OF MEMBERS

As at year end there were 2,216 members and 392 associate members.

NUMBER OF EMPLOYEES

As at year end, the total number of employees was equivalent to 11 full time employees.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023

RESULTS OF ACTIVITIES

Membership numbers and revenue remain steady in addition to strong continuing corporate membership support. The value of the Company's share portfolio increased during the financial year.

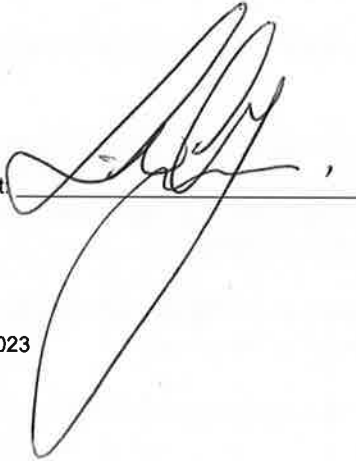
SIGNIFICANT CHANGES TO FINANCIAL AFFAIRS

There were no significant changes to the financial affairs of the Company during the 2023 financial year.

RIGHT OF MEMBERS TO RESIGN

A member may resign from membership by written notice addressed and delivered to the secretary of the Company.

For the Committee of Management:

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and loops around itself.

Title of Office held:

DATED this 25th day of October 2023

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

On the of October 2023, the Committee of Management of Master Grocers Australia Limited passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30th June 2023:

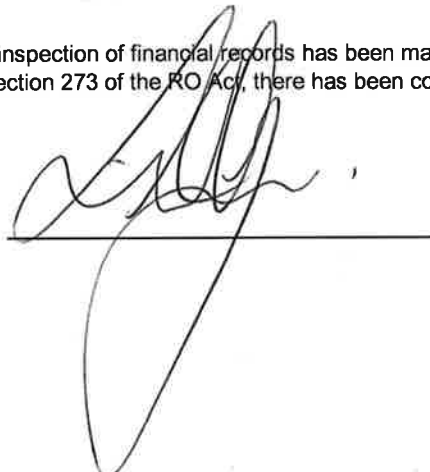
The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered organisations) Action 2009 (the RO Act);
- (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 RO Act; and
 - (iv) where information has been sought in any request by a member of the reporting unit or the General Manager duly made under section 272 of the RO Act has been provided to the member or the General Manager; and
 - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

For the Committee of Management:

Title of Office held: President

DATED this 25th day of October 2023



A handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be the name of the President of the Committee of Management.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

| | | 2023 | 2022 |
|---|------|--------------------|--------------------|
| | NOTE | \$ | \$ |
| Revenue from contracts with customers | 3 | | |
| Membership subscriptions | | 1,560,164 | 1,490,593 |
| Corporate sponsorship | | 469,079 | 357,453 |
| Other sales of goods or services | | 273,482 | 360,090 |
| Total revenue from contracts with customers | | <u>2,302,725</u> | <u>2,208,136</u> |
| Income for furthering objectives | 3 | | |
| Grants and donations | 3A | - | - |
| Total income from furthering objectives | | <u>-</u> | <u>-</u> |
| Other income | | | |
| Net gain from sale of assets | 3B | - | - |
| Gain/(Loss) on financial assets at fair value through profit or loss | 3C | 187,174 | (216,862) |
| Revenue from recovery of wages activity | | - | - |
| Investment income | 3D | 102,357 | 76,033 |
| Rental income | 3E | 51,768 | 51,975 |
| Other income | 3F | (6,023) | 9,682 |
| Total other income | | <u>335,276</u> | <u>(79,172)</u> |
| Total income | | <u>2,638,001</u> | <u>2,128,964</u> |
| Expenses | | | |
| Employee expenses | 4A | (1,807,785) | (1,652,801) |
| Affiliation fees | 4B | (8,800) | (8,000) |
| Administration expenses | 4C | (391,968) | (330,815) |
| Audit fees | 19 | (8,750) | (8,750) |
| Campaign and project expenses | 4D | (75,170) | (106,409) |
| Depreciation and amortisation | 4F | (87,181) | (85,984) |
| Finance costs | 4G | (310) | (534) |
| Grants or donations | 4E | (691) | (189) |
| Legal costs | 4J | (2,300) - | 2,410.50 |
| Writedown and impairment of financial assets | 4H | - | - |
| Net losses from disposal of assets | 4I | - | - |
| Other expenses | 4K | (23,712) | (21,964) |
| | | <u>(2,406,667)</u> | <u>(2,217,858)</u> |
| Surplus (deficit) before tax | | 231,334 | (88,893) |
| Income tax expense | 6 | - | - |
| Surplus (deficit) for the year | | 231,334 | (88,893) |
| Other comprehensive income | | | |
| Item that will not be subsequently reclassified to profit or loss | | | |
| Gain on revaluation of properties | | - | - |
| Total comprehensive income (loss) for the year attributable to members | | <u>231,334</u> | <u>(88,893)</u> |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2023

| | | 2023 | 2022 |
|--------------------------------------|-------------|------------------|------------------|
| | NOTE | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | 535,394 | 1,013,005 |
| Trade and other receivables | 8 | 182,218 | 461,845 |
| Financial assets | 10 | 2,894,440 | 2,128,012 |
| Other current assets | 9 | 119,283 | 99,694 |
| Total current assets | | <u>3,731,335</u> | <u>3,702,555</u> |
| NON CURRENT ASSETS | | | |
| Investment property | 11 | 950,000 | 950,000 |
| Intangible assets | 12 | 74,889 | 37,817 |
| Property, plant and equipment | 13 | 1,993,928 | 2,029,340 |
| Right-of-use assets | 14 | 2,962 | 6,516 |
| Financial assets | 10 | - | 2 |
| Total non-current assets | | <u>3,021,778</u> | <u>3,023,674</u> |
| TOTAL ASSETS | | <u>6,753,114</u> | <u>6,726,229</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 15 | 199,822 | 174,889 |
| Lease liability | 14 | 3,482 | 3,962 |
| Employee provisions | 16 | 105,831 | 226,729 |
| Contract liabilities | 8 | 272,136 | 383,434 |
| Total current liabilities | | <u>581,271</u> | <u>789,015</u> |
| NON CURRENT LIABILITIES | | | |
| Lease liability | 14 | - | 3,483 |
| Employee provisions | 16 | 12,912 | 6,134 |
| Total non current liabilities | | <u>12,912</u> | <u>9,617</u> |
| TOTAL LIABILITIES | | <u>594,183</u> | <u>798,632</u> |
| NET ASSETS | | <u>6,158,931</u> | <u>5,927,596</u> |
| Represented by: | | | |
| MEMBERS' EQUITY | | | |
| Revaluation Reserves | | 1,603,292 | 1,603,292 |
| Retained earnings | | 4,555,638 | 4,324,304 |
| TOTAL MEMBERS' EQUITY | | <u>6,158,931</u> | <u>5,927,596</u> |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

| | Revaluation Reserves | Retained Earnings | Total |
|---|---------------------------------|------------------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1st July 2021 | 1,603,292 | 4,413,196 | 6,016,488 |
| Adjustment for adoption of new accounting standards | - | - | - |
| Surplus (deficit) for the year | - | (88,893) | (88,893) |
| Other comprehensive income | | | |
| Gain on revaluation of properties | - | - | - |
| | - | (88,893) | (88,893) |
| Balance at 30th June 2022 | <u>1,603,292</u> | <u>4,324,304</u> | <u>5,927,596</u> |
| | Revaluation Reserves | Retained Earnings | Total |
| | \$ | \$ | \$ |
| Balance at 1st July 2022 | 1,603,292 | 4,324,304 | 5,927,596 |
| Adjustment for adoption of new accounting standards | - | - | - |
| Surplus (deficit) for the year | - | 231,334 | 231,334 |
| Other comprehensive income | | | |
| Gain on revaluation of properties | - | - | - |
| | - | 231,334 | 231,334 |
| Balance at 30th June 2023 | <u>1,603,292</u> | <u>4,555,638</u> | <u>6,158,930</u> |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

| | NOTE | 2023 \$ | 2022 \$ |
|--|------|--------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from operations (GST inclusive) | | 2,643,927 | 2,303,053 |
| Government grants received | | - | - |
| Dividend & trust income received | | 79,099 | 60,433 |
| Interest received | | 14,910 | 7,574 |
| Rents received (GST inclusive) | | 56,945 | 57,173 |
| Sundry receipts | | - | - |
| Short term lease payments | | - | - |
| Payments to suppliers and employees | | <u>(2,606,640)</u> | <u>(2,465,087)</u> |
| Net cash provided by (used in) operating activities | 17A | <u>188,241</u> | <u>(36,854)</u> |
| CASH FLOW FROM INVESTMENT ACTIVITIES | | | |
| Proceeds from disposal of investments | | 30,818 | 362,027 |
| Proceeds from sale of plant & equipment | | - | - |
| Purchase of plant and equipment | | (33,751) | (64,519) |
| Purchase of intangibles | | (51,538) | (7,000) |
| Purchase of investments | | (105,077) | (357,505) |
| Investment in term deposit | | (500,000) | - |
| Investment and loans to joint venture | | <u>(2,033)</u> | <u>(2)</u> |
| Net cash provided by (used in) investment activities | | <u>(661,581)</u> | <u>(66,999)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of lease liability | | <u>(4,272)</u> | <u>(4,272)</u> |
| Net cash provided by (used in) financing activities | | <u>(4,272)</u> | <u>(4,272)</u> |
| NET INCREASE / (DECREASE) IN CASH HELD | | <u>(477,611)</u> | <u>(108,126)</u> |
| CASH AS AT START OF FINANCIAL YEAR | | <u>1,013,005</u> | <u>1,121,131</u> |
| CASH AS AT END OF FINANCIAL YEAR | 7 | <u>535,394</u> | <u>1,013,005</u> |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, Master Grocers Australia Limited ("the Company") is a not for profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment

Accounting standards require management to assess, at each reporting period, whether there are any indicators of impairment in relation to the carrying amount of its assets. Where an impairment indicator is identified, the recoverable amount of the asset must be determined and compared to the carrying amount.

Judgement is applied by management in assessing whether there are any impairment indicators and, where required, in determining the recoverable amount.

Provisions

A provision is recognised for items where the Company has a present obligation arising from a past event. It is probable that an outflow of economic resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The provision is measured as the best estimate of the expenditure required to settle the present obligation. Management applies judgement in assessing whether a particular item satisfies the above criteria and in determining the best estimate.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.4 New Australian Accounting Standards

Adoption of New Accounting Standard requirements

The accounting policies adopted are consistent with those of the previous financial year except for annual improvements to amend the following accounting standards, which have been adopted for the first time this financial year:

- AASB 9 Financial Instruments to clarify that in applying the "10 per cent" test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- AASB 16 Leases to amend Illustrative Example 13 to remove the illustration of the reimbursement of leasehold improvements by the lessor.
- Amendments to AASB 116 Property, Plant and Equipment to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in the profit and loss, instead of deducting the amounts received from the cost of the asset.
- Amendments to AASB 137 Provisions, Contingent Liabilities and Contingent Assets to clarify which costs an entity can include when assessing whether a contract will be onerous.

The above amendments are not expected to have a material impact on the financial statements of the Company.

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the reporting unit include:

AASB 2020 -1 – Amendments to AASs – Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the Statement of Financial Position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

This amendment is not expected to have any material impact on the financial statements of the Company.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.5 Investment in associates and joint arrangements

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 Non-current Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, The Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The Company did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act7.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.7 Revenue

The Company enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, corporate sponsorship, training and industrial relations services, commission and grants.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Company has a contract with a customer, it recognises revenue when or as it transfers control of goods or services to the customer. The Company accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Company.

If there is only one distinct membership service promised in the arrangement, the Company recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Company's promise to stand ready to provide assistance and support to the member as required.

For member subscriptions paid annually in advance, the Company has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Company at their standalone selling price, the Company accounts for those sales as a separate contract with a customer.

Corporate sponsorships

Sponsorship revenue is recognised based on passage of time over the sponsorship period in accordance with the terms and conditions of the sponsorship contracts.

Chargeable services and training income

Chargeable services and training income is brought to account when the service is provided.

Grants and donations

The timing of grant recognition will depend on whether there is any performance obligations or other liability. Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants received by the Company to enable it to further its objectives are recognised as income when the consideration is received or eligibility requirements are met and the Company has the right to receive it.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental income

Leases in which the Company as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Contingent rents are recognised as revenue in the period in which they are earned.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The company recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The reporting unit recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the reporting unit and payments of penalties for terminating the lease, if the lease term reflects the reporting unit exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the implicit interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

Short-term leases and leases of low-value assets

The Company's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of reporting unit that are below \$10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

MASTER GROCERS AUSTRALIA LIMITED

A.C.N. 004 063 263

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1.10 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts, if any, are shown within short-term borrowings in current liabilities on the statement of financial position.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

1.13 Financial assets

Contract assets and receivables

A contract asset is recognised when the the Company's right to consideration in exchange for goods or services that has transferred to the customer when that right is conditioned on the Company's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.13 Financial assets (cont'd)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.13 Financial assets (cont'd)

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Company applies a simplified approach in calculating expected credit losses (ECLs).

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Company recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

• Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

• Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.14 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.16 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations - Land and Buildings

Following initial recognition at cost, properties are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using either the diminishing value or straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

| | 2023 | 2022 |
|---------------------------|---------------|---------------|
| Property and improvements | 47 years | 47 years |
| Plant and equipment | 3 to 25 years | 3 to 25 years |

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.16 Property, Plant and Equipment (cont'd)
Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.17 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.18 Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the intangible assets are:

| | 2023 | 2022 |
|-------------------|---------|---------|
| Intangible assets | 5 years | 5 years |

No amortisation is provided for software assets under development until ready for use.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit and loss when the asset is derecognised.

1.19 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the company was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.21 Current versus non-current classification

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

1.22 Taxation

The Company is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.23 Fair value measurement

The Company measures financial instruments, such as financial assets at fair value through the profit and loss, and non-financial assets such as land and buildings and investment property, at fair value at each balance date. The fair value measurement of financial instruments are disclosed in Note 24.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1.23 Fair value measurement (cont'd)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, The Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.24 Going concern

The Company is not reliant on the agreed financial support of another entity to continue on a going concern basis.

NOTE 2 Events after the reporting period

There were no events that occurred after 30 June 2023 and/or prior to the signing of the financial statements that have affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| NOTE 3 REVENUE AND INCOME | | |
| Disaggregation of revenue from contracts with customers | | |
| A disaggregation of the revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer. | | |
| Type of customer | | |
| Members | 1,630,907 | 1,659,294 |
| Government | - | - |
| Other parties | 671,818 | 548,842 |
| Total revenue from contracts with customers | 2,302,725 | 2,208,136 |
| Disaggregation of income for furthering activities | | |
| A disaggregation of the reporting unit's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source: | | |
| Income funding sources | | |
| Members | - | - |
| Government | - | - |
| Other parties | - | - |
| Total revenue for furthering activities | - | - |
| NOTE 3A Grants and /or donations | | |
| Grants | - | - |
| Donations | - | - |
| Total grants and donations | - | - |
| NOTE 3B Net gains from disposal of assets | | |
| Plant and equipment | - | - |
| Other | - | - |
| Total net gains from disposal of assets | - | - |
| NOTE 3C Gain (loss) on financial assets at fair value through profit or loss | | |
| Managed investment portfolio | 187,174 | (216,862) |
| | 187,174 | (216,862) |
| NOTE 3D Investment income | | |
| Interest | 23,258 | 7,574 |
| Trust distributions | - | 4,351 |
| Dividends | 79,099 | 64,108 |
| Total investment income | 102,357 | 76,033 |
| NOTE 3E Rental income | | |
| Properties | 51,768 | 51,975 |
| Total rental income | 51,768 | 51,975 |
| NOTE 3F Other income | | |
| Payroll tax waiver refund | - | - |
| Fair value gain on investment property | - | - |
| Others | (6,023) | 9,682 |
| Total other income | (6,023) | 9,682 |
| NOTE 4 EXPENSES | | |
| NOTE 4A Employee expenses | | |
| Holders of Office: | | |
| - Wages and salaries | 108,501 | 93,840 |
| - Superannuation | 10,133 | 9,384 |
| - Separation and redundancies | - | - |
| - Transfers to provisions for annual leave | 3,838 | 5,202 |
| - Transfers to provisions for long service leave | 1,838 | 488 |
| - Other employee expenses | - | - |
| | 124,310 | 108,914 |
| Employees other than Holders of Office: | | |
| - Wages and salaries | 1,578,478 | 1,369,614 |
| - Superannuation | 140,727 | 116,220 |
| - Separation and redundancies | - | - |
| - Transfers to provisions for annual leave | (14,581) | 6,924 |
| - Transfers to provisions for long service leave | (105,215) | (34,649) |
| - Other employee expenses | 84,067 | 85,778 |
| | 1,683,476 | 1,543,887 |
| Total employee expenses | 1,807,785 | 1,652,801 |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$ | \$ |
| NOTE 4B Affiliation fees | | |
| Political parties | - | - |
| Council of Small Business Association | 8,800 | 8,000 |
| | <u>8,800</u> | <u>8,000</u> |
| NOTE 4C Administration expenses | | |
| Consideration to employers for payroll deductions | - | - |
| Fees - Meeting and conference | | 12,000 |
| Meeting and conference expenses | 5,672 | 199 |
| Promotion expenses | 21,180 | 21,413 |
| Accounting fees | 1,184 | 6,495 |
| Allowance for expected credit loss | 0 | 32,998 |
| Contractors/consultants | 10,575 | 5,243 |
| Compulsory levies | - | - |
| Brand Management | 20,497 | 15,897 |
| Human resource costs | 86,743 | 51,229 |
| Information technology | 44,032 | 46,368 |
| Insurance | 13,232 | 8,279 |
| Occupancy | 47,551 | 45,899 |
| Office services and supplies | 43,464 | 45,194 |
| Travel and accommodation | 75,528 | 36,112 |
| Venue hire and catering | 22,310 | 3,489 |
| | <u>391,968</u> | <u>330,815</u> |
| Operating lease rentals: | | |
| Minimum lease payments | - | - |
| | <u>391,968</u> | <u>330,815</u> |
| NOTE 4D Campaign and project expenses | | |
| Magazine costs | 34,895 | 60,214 |
| Training costs | 29,407 | 35,231 |
| Legal and HR expenses recharged | - | - |
| Timber - Wood advisory | 5,950 | 4,629 |
| Campaigns/Penalty Rates & IR Reform | - | - |
| Postage / email campaigns | 4,018 | 6,335 |
| | <u>75,170</u> | <u>106,409</u> |
| NOTE 4E Loans, Grants and/ or donations | | |
| Grants | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| | <u>-</u> | <u>-</u> |
| Donations | | |
| Total paid that were \$1,000 or less | 691 | 189 |
| Total paid that exceeded \$1,000 | - | - |
| | <u>691</u> | <u>189</u> |
| NOTE 4F Depreciation and amortisation | | |
| Depreciation | | |
| Right of use assets | 3,554 | 3,554 |
| Property, plant & equipment | 69,162 | 67,965 |
| | <u>72,716</u> | <u>71,519</u> |
| Amortisation | | |
| Intangible assets | 14,465 | 14,465 |
| Total depreciation and amortisation | <u>87,181</u> | <u>85,984</u> |
| NOTE 4G Finance costs | | |
| Unwinding of discount | 310 | 534 |
| | <u>310</u> | <u>534</u> |
| NOTE 4H Writedown and impairment of assets | | |
| Property, plant and equipment | - | - |
| Intangibles | - | - |
| Investment in joint venture | - | - |
| | <u>-</u> | <u>-</u> |
| NOTE 4I Net losses from disposal of assets | | |
| Property, plant and equipment | - | - |
| Intangibles | - | - |
| | <u>-</u> | <u>-</u> |
| NOTE 4J Legal costs | | |
| Litigation | - | - |
| Other legal matters | 2,300 | 2,411 |
| | <u>2,300</u> | <u>2,411</u> |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|--------|--------|
| | \$ | \$ |
| NOTE 4K Other expenses | | |
| Penalties - via RO Act or RO Regulations | - | - |
| Portfolio management fee | 21,169 | 16,326 |
| Rental property costs | 2,543 | 5,638 |
| | 23,712 | 21,964 |

NOTE 5 DIVIDENDS POLICY

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

NOTE 6 INCOME TAX

The Company is income tax exempt effective from a Private Ruling dated 18th July 2003

NOTE 7 CASH & CASH EQUIVALENTS

Current

| | | |
|--------------|---------|-----------|
| Cash at bank | 535,094 | 1,012,705 |
| Cash on hand | 300 | 300 |
| Other | - | - |
| | 535,394 | 1,013,005 |

NOTE 8 TRADE AND OTHER RECEIVABLES

Current

| | | |
|--|----------|----------|
| Trade receivables | 189,561 | 441,111 |
| Less: allowance for expected credit loss | (7,343) | (7,343) |
| | 182,218 | 433,768 |
| Other receivables: | | |
| Receivables from other reporting units | - | - |
| Loans to related entity | 48,237 | 48,237 |
| Others | - | 28,077 |
| | 48,237 | 76,314 |
| Less: allowance for expected credit loss | (48,237) | (48,237) |
| | 0 | 28,077 |
| | 182,218 | 461,845 |

The exposure to credit risk and allowance for expected credit loss associated with the aging of receivables is disclosed in Note 23D.

No collateral is held over trade and other receivables.

The reporting unit has recognised the following assets and liabilities related to contracts with customers:

Contract receivables

| | | |
|---------------------------------|---------|---------|
| Trade receivables - current | 182,218 | 433,768 |
| Trade receivables - non-current | - | - |
| | 182,218 | 433,768 |

Contract liabilities

| | | |
|--------------------------------|---------|---------|
| Deferred revenue - current | 272,136 | 383,434 |
| Deferred revenue - non-current | - | - |
| | 272,136 | 383,434 |

Contract liabilities arise from contracts with customers and represent amounts paid (or due) by customers before receiving the services promised under the contract.

The significant change between the opening and closing balances of contract assets primarily relates to \$245,465 in annual membership fees which were billed in advance in June 2022 for the financial year ended 30 June 2023 compared to \$50,900 billed in advance in June 2023 for the financial year ended 30 June 2024.

The significant change between the opening and closing balances of contract liabilities also primarily relates to \$245,465 in annual membership fees which were billed in advance in June 2022 for the financial year ended 30 June 2023 and therefore recognised as deferred revenue compared to \$50,900 in June 2023.

Revenue recognised in the year that was included in the contract liability balance at the beginning of the year was \$383,434. Contract liability is released to the statement of comprehensive income over time as the performance obligation is met.

Unsatisfied performance obligations

The Company expects that 100% of the transaction price allocated to remaining performance obligations is expected to be recognised as revenue within one year. These performance obligations primarily relate to member subscription contracts and corporate sponsorship.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|------------------------------------|----------------|---------------|
| | \$ | \$ |
| NOTE 9 OTHER CURRENT ASSETS | | |
| <i>Current</i> | | |
| Accrued income | 104,778 | 75,455 |
| Prepayments | 14,505 | 24,239 |
| | <u>119,283</u> | <u>99,694</u> |

| | | |
|--|------------------|------------------|
| NOTE 10 FINANCIAL ASSETS | | |
| <i>Current</i> | | |
| Financial assets at fair value through profit or loss (including designated) | | |
| Managed investment portfolio | 2,894,440 | 2,128,012 |
| | <u>2,894,440</u> | <u>2,128,012</u> |

Changes in fair values of financial assets at fair value through profit or loss are recorded in gains/(losses) in the Statement of Profit or Loss and Other Comprehensive Income.

Non Current

| | | |
|--------------------------------------|----------|----------|
| Shares in MiPlanet Australia Pty Ltd | - | 2 |
| | <u>-</u> | <u>2</u> |

On 10th October 2022, the Company received a notice from ImFree Australia Pty Ltd (ImFree) outlining its intention to withdraw from the MiPlanet Australia Pty Ltd joint venture, an incorporated joint venture in which the Company was a joint equal shareholder. The remaining 50% was owned by Imfree. MiPlanet Australia Pty Ltd did not trade during the year and there were no transactions between the Company and MiPlanet during the year. Aside from writing off \$4,995, there was no financial impact on the Company from cessation of the joint venture.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|-------------------------------------|-------------|-------------|
| | \$ | \$ |
| NOTE 11 INVESTMENT PROPERTY | | |
| <i>Non current</i> | | |
| As at 1st July | 950,000 | 950,000 |
| Additions | - | - |
| Net gain from fair value adjustment | - | - |
| As at 30 June | 950,000 | 950,000 |

The valuation on Suite 9,1 Milton Parade, Malvern 3144 was performed by Charter Keck Cramer Pty Ltd, an accredited independent valuer with a recognised and relevant professional qualification, on 25th May 2021.

The fair value of the investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment property is not considered to be different from its current use.

Rental income earned and reimbursements received from the investment property during the year was \$51,767 (2022: \$51,139).

Direct expenses incurred in relation to the investment property that generated rental income during the year were \$2,542 (2022: \$5,638). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Company does not have any contractual obligations to purchase, construct or develop the investment property or for repairs, maintenance or enhancements.

The fair value of investment property was determined by Charter Keck Cramer by using both the Direct Sales and the Income Capitalisation Methods.

Under the Income Capitalisation Method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate of 5.75%.

The fair value of the investment property is included within Level 2 of the fair value hierarchy as stated at Note 1.23 to the financial statements.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$ | \$ |
| NOTE 12 INTANGIBLE ASSETS | | |
| <i>Non current</i> | | |
| Software assets | 154,073 | 102,535 |
| Less: accumulated amortisation and impairment | (79,185) | (64,719) |
| Net book value 30 June | 74,889 | 37,817 |

Reconciliation of the opening and closing balances

As at 1st July

| | | |
|---|---------------|---------------|
| Gross book value | 102,535 | 95,535 |
| Accumulated depreciation and impairment | (64,719) | (50,254) |
| Net book value 1 July | 37,817 | 45,282 |
| Additions: | | |
| By purchase | 51,538 | 7,000 |
| Impairment | - | - |
| Amortisation | (14,466) | (14,465) |
| Disposals | - | - |
| Net book value 30 June | 74,889 | 37,817 |
| Net book value as at 30 June represented by: | | |
| Gross book value | 154,073 | 102,535 |
| Accumulated depreciation and impairment | (79,185) | (64,719) |
| Net book value 30 June | 74,889 | 37,817 |

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

Non current

| | | |
|-------------------------------|------------------|------------------|
| Property - Land and building | | |
| at fair value | 1,990,000 | 1,990,000 |
| accumulated depreciation | (108,358) | (56,873) |
| | 1,881,642 | 1,933,127 |
| Property improvements | | |
| at cost | 67,760 | 47,896 |
| accumulated depreciation | (1,197) | - |
| | 66,563 | 47,896 |
| Plant & equipment - at cost | | |
| at cost | 181,675 | 167,788 |
| accumulated depreciation | (135,952) | (119,472) |
| | 45,723 | 48,316 |
| Net book value 30 June | 1,993,928 | 2,029,340 |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Reconciliation of the Opening and Closing Balances

| | Property | Property Improvements | Plant & Equipment | Total |
|--|------------------|--------------------------|----------------------|------------------|
| As at 1st July 2021 | | | | |
| Gross book value | 1,990,000 | - | 151,165 | 2,141,165 |
| Accumulated depreciation and impairment | (5,387) | - | (102,992) | (108,380) |
| Net book value 30 June 2022 | <u>1,984,613</u> | <u>-</u> | <u>48,173</u> | <u>2,032,785</u> |
| Year ended 30 June 2022 | | | | |
| Additions: | | | | |
| By purchase | - | 47,896 | 16,623 | 64,519 |
| Revaluations | - | - | - | - |
| Transfers in (out) | - | - | - | - |
| Depreciation expense | (51,485) | - | (16,480) | (67,965) |
| Disposals | - | - | - | - |
| Net book value 30 June 2022 | <u>1,933,128</u> | <u>47,896</u> | <u>48,316</u> | <u>2,029,339</u> |
| Net book value as at 30 June 2022 represented by: | | | | |
| Gross book value | 1,990,000 | 47,896 | 167,788 | 2,222,307 |
| Accumulated depreciation and impairment | (56,872) | - | (119,472) | (192,824) |
| Net book value 30 June 2022 | <u>1,933,128</u> | <u>47,896.00</u> | <u>48,316</u> | <u>2,029,483</u> |
| Year ended 30 June 2023 | | | | |
| Additions: | | | | |
| By purchase | - | 19,864 | 13,887 | 33,751 |
| Revaluations | - | - | - | - |
| Transfers in (out) | - | - | - | - |
| Depreciation expense | (51,485) | (1,197) | (16,480) | (69,162) |
| Disposals | - | - | - | - |
| Net book value 30 June 2023 | <u>1,881,643</u> | <u>66,563</u> | <u>45,723</u> | <u>1,994,072</u> |
| Net book value as at 30 June 2023 represented by: | | | | |
| Gross book value | 1,990,000 | 67,760 | 181,675 | 2,239,435 |
| Accumulated depreciation and impairment | (108,357) | (1,197) | (135,952) | (245,506) |
| Net book value 30 June 2023 | <u>1,881,643</u> | <u>66,563</u> | <u>45,723</u> | <u>1,993,929</u> |

The revalued land and buildings consist of Suite 4 & 5, 1 Milton Parade, Malvern 3144.

As at the date of revaluation on 25 May 2021, the properties' fair values are based on valuations performed by Charter Keck Cramer Pty Ltd, an accredited independent valuer. Fair value of the properties was determined by direct sales comparison and income capitalisation methods.

MASTER GROVERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|---------|---------|
| | \$ | \$ |
| NOTE 14 RIGHT OF USE ASSET AND LEASE LIABILITY | | |
| Amount of right of use asset (office equipment) recognised and the movements during the year: | | |
| As at 1 July | 6,516 | 10,070 |
| Additions | - | - |
| Depreciation | (3,554) | (3,554) |
| Impairment | - | - |
| Disposal | - | - |
| As at 30 June | 2,962 | 6,516 |
| | | |
| Amount of lease liability recognised and the movements during the year: | | |
| As at 1 July | 7,445 | 11,184 |
| Additions | - | - |
| Accretion of interest | 310 | 534 |
| Payments | (4,272) | (4,272) |
| As at 30 June | 3,482 | 7,445 |
| | | |
| Lease liability - current | 3,482 | 3,962 |
| Lease liability - non-current | - | 3,483 |
| | 3,482 | 7,445 |
| | | |
| The maturity analysis of lease liability is as disclosed in Note 23E | | |
| | | |
| Amounts recognised in Statement of Comprehensive Income: | | |
| Depreciation expense of right of use asset | 3,554 | 3,554 |
| Interest expense on lease liability | 310 | 534 |
| Short-term and low value lease recognised on a straight line basis | - | - |
| | 3,864 | 4,088 |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$ | \$ |
| NOTE 15 TRADE AND OTHER PAYABLES | | |
| Trade payables | 19,974 | 53,694 |
| Sundry payables & accruals | 179,848 | 121,195 |
| | <u>199,822</u> | <u>174,889</u> |
| Payables to other reporting units | - | - |
| | <u>199,822</u> | <u>174,889</u> |
| Total trade and other payables are expected to be settled in: | | |
| No more than 12 months | 199,822 | 174,889 |
| More than 12 months | - | - |
| | <u>199,822</u> | <u>174,889</u> |
| The average credit period on trade and other payables is 30 days. No interest is payable on outstanding payables during this period. | | |
| NOTE 16 PROVISIONS | | |
| Employee provisions | | |
| Office holders: | | |
| Annual leave | 24,986 | 21,148 |
| Long service leave | 8,530 | 6,692 |
| Separations and redundancies | - | - |
| Other | - | - |
| Employee provisions - office holders | <u>33,516</u> | <u>27,840</u> |
| Employees other than office holders | | |
| Annual leave | 65,309 | 79,890 |
| Long service leave | 19,918 | 125,133 |
| Separations and redundancies | - | - |
| Other | - | - |
| Employee provisions - other than office holders | <u>85,227</u> | <u>205,023</u> |
| <i>Current</i> | | |
| Employee entitlements - provision for annual leave | 90,295 | 101,038 |
| Employee entitlements - provision for long service leave | 15,536 | 125,691 |
| | <u>105,831</u> | <u>226,729</u> |
| <i>Non Current</i> | | |
| Employee entitlements - provision for annual leave | - | - |
| Employee entitlements - provision for long service leave | 12,912 | 6,134 |
| | <u>12,912</u> | <u>6,134</u> |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|----------------|-----------------|
| | \$ | \$ |
| NOTE 17 CASH FLOW | | |
| NOTE 17A: Cash flow reconciliation | | |
| Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement: | | |
| Cash and cash equivalents as per: | | |
| Cash flow statement | 535,394 | 1,013,005 |
| Balance Sheet | 535,394 | 1,013,005 |
| Difference | <u>-</u> | <u>-</u> |
| (a) Reconciliation of operating profit after income tax to net cash provided by (used in) operating activities: | | |
| Profit (loss) for the year | 231,334 | (88,893) |
| Non-cash flows in operating profit:- | | |
| (Profit) Loss on disposal of plant & equipment | - | - |
| Write-down or impairment of assets | - | - |
| (Gain) on revaluation of investment property | - | - |
| (Gain) Loss on financial assets at fair value through profit or loss | (187,174) | 216,862 |
| Non cash income | | (8,026) |
| Lease interest expense | 310 | 534 |
| Depreciation and amortisation | 87,181 | 85,984 |
| Allowance for expected credit loss | - | - |
| Change in assets and liabilities: | | |
| (Increase) / decrease | | |
| - Trade receivables | 279,628 | (328,448) |
| - Sundry receivables and prepayments | (22,550) | (21,995) |
| (Decrease) / increase | | |
| - Trade, sundry payables & accruals | 24,931 | (66,508) |
| - Contract liabilities | (111,298) | 195,670 |
| - Employee provisions | (114,120) | (22,034) |
| Net cash provided by operating activities | <u>188,241</u> | <u>(36,854)</u> |
| NOTE 17B Cashflow information | | |
| Cash inflows from reporting unit/ controlled entity | <u>-</u> | <u>-</u> |
| Cash outflows from reporting unit/ controlled entity | <u>-</u> | <u>-</u> |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$ | \$ |
| NOTE 18 RELATED PARTY TRANSACTIONS | | |
| (a) Key management personnel compensation | | |
| Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly is considered key management personnel. | | |
| Short term employee benefits | 693,467 | 510,962 |
| Post employment benefits | 45,741 | 32,948 |
| Other long term employee benefits | (110,266) | 8,218 |
| Termination benefits | - | - |
| Share based payments | - | - |
| Total | 628,942 | 552,128 |
| (b) Other transactions with key management personnel and their close family members | | |
| Loans to / from key management personnel | - | - |
| Other transactions with key management personnel | - | - |
| | - | - |
| (c) Other related party transactions | | |
| (i) Travel cost incurred, paid or reimbursed to officeholders | | |
| Deborah May Smith | 6,952 | 7,994 |
| Christopher Dos Santos | 2,404 | 553 |
| Ripple Himanshu Parekh | 4,049 | 2,152 |
| Grant John Hinchcliffe | 4,412 | 5,190 |
| Graeme James Gough | 3,708 | 2,089 |
| Donald Jeffery Harper | - | 0 |
| Rosario Anile | 7,211 | 1,817 |
| Lincoln George Wymer | 50 | 1,087 |
| Terry Slaughter | 4,489 | 1,981 |
| | 33,275 | 22,863 |
| (ii) Committee meeting attendance fees paid directly or indirectly to officeholders who are not employees | | |
| | 12,000 | 12,000 |
| (iii) On 10th October 2022, the Company received a notice from ImFree Australia Pty Ltd (ImFree) outlining its intention to withdraw from the MiPlanet Australia Pty Ltd joint venture, an incorporated joint venture in which the Company was a joint equal shareholder. The remaining 50% was owned by Imfree. MiPlanet Australia Pty Ltd did not trade during the year and there were no transactions between the Company and MiPlanet during the year. Aside from writing off \$4,995, there was no financial impact on the Company from cessation of the joint venture. | | |
| NOTE 19 REMUNERATION OF AUDITORS | | |
| Financial statement audit services | 8,750 | 8,750 |
| Other services | - | - |
| | 8,750 | 8,750 |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 20 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

(a) Contingencies

The Company had no contingent assets or liabilities as at 30 June, 2022 (2021 - None)

| | 2023 | 2022 |
|--|------|------|
| | \$ | \$ |
| (b) Operating lease commitments - as lessor | | |

Commitments for minimum lease payments in relation to non-cancellable operating lease is as follows:

| | | |
|---|---|---|
| Within one year | - | - |
| After one year but not more than five years | - | - |
| More than five years | - | - |
| | - | - |
| | - | - |

(c) Contractual commitments

The Company had no contractual commitments as at 30 June 2023 (2022 - None)

NOTE 21 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 \$100 towards meeting any outstanding obligations of the Company. At 30 June 2023, there were 2,216 members and 392 associate members.

NOTE 22 ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

There is no administration of financial affairs by a third party.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 23 FINANCIAL INSTRUMENTS

The Company is exposed to various risks in relation to financial instruments. The main types of risk are market risk, credit risk and liquidity risk.

Risk management is carried out by management under policies approved by the Committee of Management. The Committee of Management identifies and evaluates financial risk as part of regular meetings.

The finance committee work in close co-operation with the company's external portfolio manager to minimise financial risk and to maximise returns.

| | 2023 | 2022 |
|---|-----------|-----------|
| | \$ | \$ |
| NOTE 23A Categories of financial instruments | | |
| Financial assets | | |
| Financial assets at amortised cost | | |
| Cash and cash equivalents | 535,394 | 1,013,005 |
| Trade and other receivables | 182,218 | 461,845 |
| Financial assets at fair value through profit or loss | | |
| Managed investment portfolio | 2,894,440 | 2,128,012 |
| Carrying amount of financial assets | 3,612,052 | 3,602,862 |
| Financial liabilities | | |
| Financial liabilities at amortised cost | | |
| Trade payables and other payables | 199,822 | 174,889 |
| Carrying amount of financial liabilities | 199,822 | 174,889 |

NOTE 23B Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to interest rate risk and equity price risks which result from both its operating and investing activities.

Interest rate sensitivity

Exposure to interest rate risk arises on interest-bearing financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect either the future cash flows or the fair value of fixed rate financial instruments. The financial instruments that primarily expose the Company to interest rate risks are cash and cash equivalents.

The weighted average interest rates of interest-bearing financial assets are as follows:

| | 2023 | 2022 | 2023 | 2022 |
|---------------------------|---------|-----------|-------|-------|
| | \$ | \$ | % | % |
| Financial assets | 580,384 | 80,400 | 4.15% | 3.90% |
| Cash and cash equivalents | 535,394 | 1,013,005 | 1.23% | 0.35% |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 23B Market risk analysis (Cont'd)

Other price risk sensitivity

The Company is exposed to changes in equity price movement in respect of its equity investments.

The following table illustrates the sensitivity of the profit and equity to a reasonably possible change in price movement of +/- 10% (2022: +/- 10%). The calculations are based on financial instruments held at each reporting date that are sensitive to price movement.

| | Profit for the year | |
|-----------|---------------------|-----------|
| | +10% | -10% |
| 30-Jun-23 | 289,444 | (289,444) |
| 30-Jun-22 | 212,801 | (212,801) |

| | Equity | |
|-----------|---------|-----------|
| | +10% | -10% |
| 30-Jun-23 | 289,444 | (289,444) |
| 30-Jun-22 | 212,801 | (212,801) |

NOTE 23C Foreign Exchange risk analysis

The Company is only indirectly exposed to foreign exchange risk movement in respect of its investment in international equities through managed funds.

NOTE 23D Credit risk analysis

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to the sale of services to members and customers, including outstanding receivables and committed transactions.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

| | 2023 | 2022 |
|------------------------------------|---------|-----------|
| Classes of financial assets | | |
| <i>Carrying amounts:</i> | | |
| Cash and cash equivalents | 535,394 | 1,013,005 |
| Trade and other receivables | 182,218 | 461,845 |
| Total | 717,612 | 1,474,850 |

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that customers and counterparties to transactions are of sound creditworthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment.

The allowance for expected credit loss associated with the aging of trade receivables is detailed below:

| 30-Jun-23 | Trade receivables | | | | | Total |
|---|-------------------|---------|------------|-----------|----------|---------|
| | Current | <30days | 30-60 days | 61-90days | >91 days | |
| Expected credit loss rate | 0.0% | 0.0% | 16.0% | 0.0% | 0.0% | |
| Estimate total gross carrying amount at default | 121,011 | 22,712 | 45,838 | - | - | 189,561 |
| Expected credit loss | - | - | 7,343 | - | - | 7,343 |
| Trade receivable net of allowance | 121,011 | 22,712 | 38,495 | - | - | 182,218 |

| 30-Jun-22 | Trade receivables | | | | | Total |
|---|-------------------|---------|------------|-----------|----------|---------|
| | Current | <30days | 30-60 days | 61-90days | >91 days | |
| Expected credit loss rate | 0.9% | 0.9% | 0.0% | 0.0% | 62.4% | |
| Estimate total gross carrying amount at default | 411,015 | 7,330 | - | 4,471 | 18,294 | 441,111 |
| Expected credit loss | - | - | - | - | 7,343 | 7,343 |
| Trade receivable net of allowance | 411,015 | 7,330 | - | 4,471 | 16,128 | 433,768 |

Loss rates are estimated in each age category and are based on the probability of a receivable progressing to write-off.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE23E Liquidity risk analysis

Liquidity risk is a risk that the Company might be unable to meet its obligations. The Company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding as required and the ability to close-out market positions if necessary. The finance committee aims at maintaining flexibility in funding by keeping adequate liquidity available.

Contractual maturities for financial liabilities 2023

| | Within 6 months | 6 to 12 months | 1 to 5 years | Later than 5 years |
|--------------------------|-----------------|----------------|--------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Trade and other payables | 199,822 | - | - | - |
| Total | 199,822 | - | - | - |

Contractual maturities for financial liabilities 2022

| | Within 6 months | 6 to 12 months | 1 to 5 years | Later than 5 years |
|--------------------------|-----------------|----------------|--------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Trade and other payables | 174,889 | - | - | - |
| Total | 174,889 | - | - | - |

Lease liability maturity for 2023

| | On demand | < 1 year | 1 to 5 years | Later than 5 years |
|-----------------|-----------|----------|--------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Lease liability | - | 3,482 | - | - |
| Total | - | 3,482 | - | - |

Lease liability maturity for 2022

| | On demand | < 1 year | 1 to 5 years | Later than 5 years |
|-----------------|-----------|----------|--------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Lease liability | - | 3,738 | 7,445 | - |
| Total | - | 3,738 | 7,445 | - |

NOTE23F Changes in liabilities arising from financing activities

| | 01-Jul-22 | Cash flows | Non-cash changes | | | 30-Jun-23 |
|---|-----------|------------|------------------|------------------|--------------------|-----------|
| | | | Acquisition | Foreign Exchange | Fair Value Changes | |
| Short-term borrowings | - | - | - | - | - | - |
| Total liabilities from financing activities | - | - | - | - | - | - |

| | 1-Jul-21 | Cash flows | Non-cash changes | | | 30-Jun-22 |
|---|----------|------------|------------------|------------------|--------------------|-----------|
| | | | Acquisition | Foreign Exchange | Fair Value Changes | |
| Short-term borrowings | - | - | - | - | - | - |
| Total liabilities from financing activities | - | - | - | - | - | - |

NOTE 23G Net income and expense from financial assets and financial liabilities

| | 2023 | 2022 |
|--|---------|-----------|
| | \$ | \$ |
| Net income and expense from financial assets | | |
| Fair value through profit or loss - Held for trading and those designated as fair value through profit and loss: | | |
| - Change in fair value | 187,174 | (216,862) |
| - Dividend revenue | 79,099 | 64,108 |
| - Interest revenue | 13,703 | 3,835 |
| - Trust distributions | - | 4,351 |
| - Exchange gains/(loss) | - | - |
| Total held for trading and designated as fair value through profit and loss | 279,976 | (144,567) |
| At Amortisation | | |
| - Interest revenue | 9,555 | 3,739 |
| Net income/(expense) from financial assets | 289,531 | (140,828) |

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 24 FAIR VALUE MEASUREMENT

Financial assets and liabilities fair value hierarchy

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability; either directly or indirectly
- c) Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2023 and 30 June 2022:

| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|-----------------------------------|---------------|---------------|---------------|-------------|
| 30-Jun-23 | | | | |
| Assets | | | | |
| Fair value through profit or loss | 2,894,440 | - | - | 2,894,440 |
| Net fair value | 2,894,440 | - | - | 2,894,440 |
| 30-Jun-22 | | | | |
| Assets | | | | |
| Fair value through profit or loss | 2,128,012 | - | - | 2,128,012 |
| Net fair value | 2,128,012 | - | - | 2,128,012 |

Fair value through profit or loss financial assets have been determined by reference to their quoted bid prices at the reporting date.

The fair value of cash, trade and other receivables and trade and other payables and borrowings are assumed to approximate their carrying amounts due to their short-term nature.

Non-financial assets fair value hierarchy

| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|---|---------------|---------------|---------------|-------------|
| 30-Jun-23 | | | | |
| Assets | | | | |
| Property, plant & equipment - Land & building | - | 1,948,205 | - | 1,948,205 |
| Investment property | - | 950,000 | - | 950,000 |
| Net fair value | - | 2,898,205 | - | 2,898,205 |
| 30-Jun-22 | | | | |
| Assets | | | | |
| Property, plant & equipment - Land & building | - | 1,981,023 | - | 1,981,023 |
| Investment property | - | 950,000 | - | 950,000 |
| Net fair value | - | 2,931,023 | - | 2,931,023 |

Fair value of the Company's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management.

Further information about the valuation of the property assets are in Notes 11 and 13.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 25 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 Commissioner, 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).

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

I, Lincoln Wymer, being the President of Master Grocers Australia Limited, declare that the following activities did not occur during the year ended 30 June 2023.

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, or a determination or revocation by the General Manager of the Fair Work Commission
- receive capitation fees or any other revenue from another reporting unit
- receive revenue via levies
- recognise income from volunteer activities
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay legal costs or have a payable in respect of legal costs relating to litigation
- have a payable or receivable with other reporting units
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or account for compulsory levies, voluntary contributions or as required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity
- make a payment to a former related party of the reporting unit

For the Committee of Management:



Title of Office held: President

DATED this 25th day of October 2023

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MASTER GROCERS AUSTRALIA LIMITED

Auditors Independence Declaration

To the Directors of Master Grocers Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Master Grocers Australia Limited for the year ended 30 June 2023 there have been:

(a) no contraventions of the auditor's independence requirements of Australian professional ethical pronouncements in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.



Phillip Elliott *

620 St Kilda Road
Melbourne

Dated this 31st day of October 2023

** Liability limited by a scheme approved under Professional Standards Legislation*



Elliott Assurance Pty Ltd.*
Audit and Compliance Services

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE MASTER GROCERS AUSTRALIA LIMITED**

Audit Opinion

I have audited the financial report of the Master Grocers Australia Limited (the company), which comprises the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, Notes to and Forming Part of the Financial Statements, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Master Grocers Australia Limited as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirements of the Fair Work Commission Reporting Guidelines and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the "Act").

I declare that the management's use of the going concern basis in the preparation of the financial statements is appropriate.

Basis for Opinion

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information other than the Financial Report and Auditors Report

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MASTER GROCERS AUSTRALIA LIMITED

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the company is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibility for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE MASTER GROCERS AUSTRALIA LIMITED**

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor Status

I declare that I am an approved auditor, a member of the Institute of Chartered Accountants and hold a current Public Practice Certificate. I am registered with the Registered Organisations Commission. My registered auditor number is AA2017/245.



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Phillip Elliott *

620 St Kilda Road Melbourne

Dated this 31st day of October 2023

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