



**AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Mr P Ibbotson  
Secretary  
The Master Grocers' Association of Victoria Limited  
Suite 9, 1 Milton Parade  
MALVERN VIC 3144

Dear Mr Ibbotson

**Re: The Master Grocers' Association of Victoria Limited - FR2003/556**

I acknowledge receipt of the financial documents of the The Master Grocers' Association of Victoria Limited for the year ended 30 June 2003. The documents were lodged in the Registry on 16 December 2003.

The documents have been filed.

In the course of an examination of the financial documents I have identified a number of deficiencies. In the ordinary course of events it has been our practice to advise you in some detail as to the nature of the deficiencies and, if the matters were considered not to materially effect the basic obligation to report to members, it has been the practice of the office to ask that you take these matters into account in the preparation of future accounts. However, as you know a number of amendments to the Act came into operation on 12 May 2003. The Registration and Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996) alters the arrangements under which organisations are required to provide financial and other information to members and the Industrial Registrar. You will recall that a number of explanatory pamphlets were sent to you on 8 May 2003 setting out in detail the relevant changes. In light of those changes it seems pointless to draw your attention to your obligations under the formerly applicable provisions. So, simply for the record, I note that although I have filed the financial documents, the following deficiencies were noted:

- Regulation 112 required the Auditor to note whether s/he is registered as a company auditor. It is the attitude of this office that this fact should be evident to members in the published financial documents.
- Regulation 107 required the Organisation to distinguish between remuneration paid to "holders of office" and that paid to "employees".
- Section 273 required the Committee of Management Certificate to be signed by two Committee members in accordance with a resolution of the Committee.

If you wish to discuss these matters, or any related issues, I can be contacted on 8661 7774 (Monday-Thursday).

Yours sincerely,

Iain Stewart  
Statutory Services Branch  
2 March 2004

# Master Grocers

ASSOCIATION OF VICTORIA  
*Committed to our community,  
Committed to our employees,  
Committed to our industry.*

A.B.N. 44 004 063 263

12<sup>th</sup> December 2003

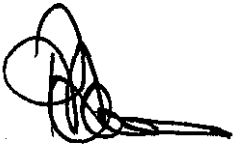
Australian Industrial Registry  
Att: Mr Rob Pfeiffer  
Level 35  
100 Collins Street  
MELBOURNE VIC 3000

Dear Mr Pfeiffer,

We forward the 2003 Financial Statements for the Master Grocers Association of Victoria Ltd together with the appropriate certificate signed by myself.

This is the first year of lodgement of these reports and if you have any comments or suggestions I would appreciate your feedback.

Yours sincerely,

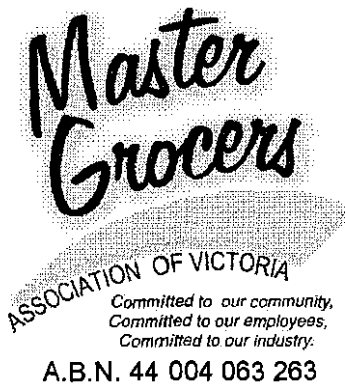


**Philip Ibbotson**  
Secretary

**Master Grocers Association of Victoria Ltd**

SUITE 9, 1 MILTON PARADE, MALVERN, VIC, 3144.

PHONE: +613 9824 4111 FAX: +613 9824 4022 FREECALL: 1800 888 479 EMAIL: [info@mgav.com.au](mailto:info@mgav.com.au)



**Annual Accounts 2003  
Workplace Relations Action 1996 s280**

I, Philip Ibbotson being Secretary / Treasurer of the Master Grocers Association of Victoria Ltd  
certify that the attached document entitled:

**The Master Grocers Association of Victoria Ltd  
Financial Statements for the year ended 30<sup>th</sup> June 2003**

is a true copy of the financial statements presented at a meeting of the committee of  
management (ie the second meeting) held on the 10<sup>th</sup> December 2003.

The financial statements were circulated to members on 3<sup>rd</sup> December 2003.

A handwritten signature in black ink, appearing to be "Philip Ibbotson", written over a horizontal line.

**Philip Ibbotson**

**Secretary / Treasurer  
Master Grocers Association of Victoria Ltd**

12<sup>th</sup> December 2003

SUITE 9, 1 MILTON PARADE, MALVERN, VIC, 3144.

PHONE: +613 9824 4111 FAX: +613 9824 4022 FREECALL: 1800 888 479 EMAIL: [info@mgav.com.au](mailto:info@mgav.com.au)

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

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2003**

**I N D E X**

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13. Cash Flow Statement
14. Notes to and forming part of the financial statements

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

DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2003

The Directors of The Master Grocers' Association of Victoria Limited present their report to the members on the results of the Company for the financial year ended 30 June 2003 and on the state of affairs of the Company as at that date.

The following Directors of The Master Grocers Association of Victoria Limited hold office at the date of this report:

GLEDHILL, Geoffrey Dunstan  
JOHNSON, Ivor James  
ALLEN, Rodney  
COWLEY, Jean

MILLER, Stephen Andrew  
DALY, Michael  
MORGAN, Roger

#### PRINCIPAL ACTIVITY

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

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

The Company publishes its own bi-monthly magazine and provides a comprehensive industrial relations advice service to its members. The Company also provides a training program for its members and a widespread series of valuable store assistance programs presented at store level. There has been no significant change in its activities during the year.

#### OPERATING RESULTS

The loss of the Company for the year was \$103,149. No income tax is payable.

#### DIVIDENDS

The Directors do not recommend the payment of any dividend. No dividends have been paid or provided for since the end of the previous financial year.

#### REVIEW OF OPERATIONS

The Company continues to enjoy 100% membership and support from the independent retailing sector marketing groups. IGA Supermarkets, IGA Everyday, Friendly Grocer IGA, AUR Foodrite and Foodworks Supermarket Group Ltd are all represented on the Company Board. Membership numbers remain constant and Company involvement with these boards and committees has increased. The company recognises the interstate growth of the banners and aims to support this development.

During the 2003 financial period the Company was heavily involved in negotiations relative to the Liquor Control Reform Act 1998. Company President, Geoff Gledhill sits on the Liquor Industry Trust Board, created as a result of the amendments to the Liquor Control Reform Act, and Executive Officer Jennifer Flanagan sits on the Government's Small Business Advisory Council, representing small business (supermarkets) in Victoria.

#### SIGNIFICANT CHANGES

The Australian Taxation Office has ruled that the Company is exempt from income tax in accordance with the provisions of sub-section 50-15 of the *Income Tax Assessment Act 1997*.

The ruling is effective from the year ending 30th June 2003.

On the 19th of February 2003 the Company was registered as an employer association pursuant to the *Workplace Relations Act 1996*.

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

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

- (i) the operations of the Company;
- (ii) the results of those operations, or
- (iii) the state of affairs of the Company, in the financial years subsequent to 30th June, 2003

#### LIKELY DEVELOPMENTS

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

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

DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2003

DETAILS OF DIRECTORS


Name	Year Appt.	Other Directorships
Ivor J JOHNSON	1983	Woodend Licensed Supermarket Pty Ltd 19th Hole Centre Pty Ltd Johnsons Liquor Pty Ltd Madura Ltd Webtrain Pty Ltd Webtrain Services Pty Ltd
Geoffrey D GLEDHILL	1996	Fourth Seventh Octelda Pty Ltd
Stephen Andrew MILLER	2000	Astson Pty Ltd S & Y Miller Investments Pty Ltd
Roger MORGAN	2000	Snonmane Pty Ltd Janagrom Nominees Pty Ltd Zeren Pty Ltd
Michael DALY	2001	Kevmille Pty Ltd Houseinvest.com Pty Ltd
Jean COWLEY	2001	Abbeygrade Pty Ltd
Rodney F ALLEN	2002	Mount Martha Village Self Service P/L Nizark Holdings P/L Herod P/L

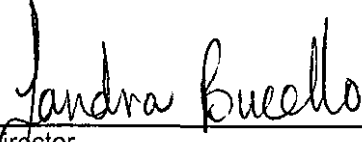
DIRECTORS BENEFITS

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

In accordance with a resolution of the Directors

DATED this 19<sup>th</sup> day of NOV, 2003.

  
\_\_\_\_\_  
Director  
(GEOFF GLEDHILL)

  
\_\_\_\_\_  
Director  
(SANDRA BUCELLO)

INDEPENDENT AUDITORS REPORT

**Scope**

We have audited the accounts, being the Statement of Directors, Profit and Loss Account, Balance Sheet, Statement of Cash Flows, and Notes to and forming part of the accounts of The Masters Grocers' Association of Victoria Limited for the year ended 30th June, 2003. The company's Directors are responsible for the preparation and presentation of the accounts and the information they contain.

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

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and the evaluation of accounting policies and significant accounting estimates.

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

**Audit Opinion**

In our opinion, the accounts of The Master Grocers' Association of Victoria Limited are properly drawn up:

- (a) so as to give a true and fair view of:
  - (i) the state of affairs of the company as at 30th June, 2003 and of the profit and cash flows of the company for the year ended on that date; and
  - (ii) the other matters required by Division 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements.
- (b) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

Also in our opinion,

- (a) there were kept by the Company in respect of the year, satisfactory accounting records detailing the sources and nature of the income of the Company (including income from members) and the nature and purposes of expenditure; and
- (b) the attached financial statements, prepared in accordance with section 273 of the Workplace Relations Act 1996 are properly drawn up so as to give a true and fair view of:
  - (i) the financial affairs of the Company as at 30 June 2003;
  - (ii) the income and expenditure account, and result of the Company for the year ended on that date; and
  - (iii) all information, being information which was reasonably wanted for the purpose of this audit, which was required and sought by N A Cobain & Co. Pty Ltd or by any person authorised by it for the purpose of the audit, was provided.

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

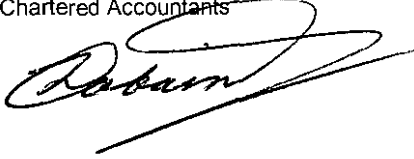
THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED  
A.C.N. 004 063 263

INDEPENDENT AUDITORS REPORT

DATED this *20th* day of *November* 2003

*N. A. Cobain & Co. Pty. Ltd.*

N A COBAIN & CO. PTY LTD  
Chartered Accountants



N A COBAIN  
Principal

218 / 566 St. Kilda Rd  
MELBOURNE 3004



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

ACCOUNTING OFFICER'S CERTIFICATE  
FOR THE YEAR ENDED 30 JUNE 2003

I, Philip Ibbotson, being the officer responsible for keeping the accounting records of the Master Grocers' Association of Victoria Limited, certify that as at 30 June 2003 the number of members of the Master Grocers' Association of Victoria Limited was 561. (Membership at 30 June 2002 was 526).

In my opinion:

1. the attached financial statements show a true and fair view of the financial affairs of the Master Grocers' Association of Victoria Limited as at 30 June 2003;
2. a record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Master Grocers' Association of Victoria Limited;
3. before any expenditure was incurred by the Company, approval for the incurring of the expenditure was obtained in accordance with the rules of the Master Grocers' Association of Victoria Limited;
4. with regard to funds of the Master Grocers' Association of Victoria Limited raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for the purposes other than those for which the fund was operated;
5. all loans or other financial benefits granted to persons holding office in the Company were authorised in accordance with the rules of the Master Grocers' Association of Victoria Limited;
6. the register of members of the Master Grocers' Association of Victoria Limited was maintained in accordance with the Act.

DATED this 9<sup>th</sup> day of November 2003



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Philip Ibbotson  
Secretary

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


CERTIFICATE OF DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2003

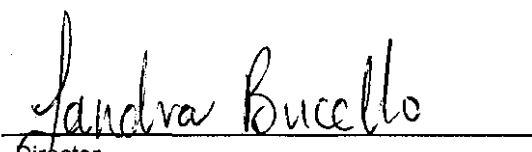
In the opinion of the Directors of the Company;

1. (a) the accompanying profit and loss account is drawn up so as to give a true and fair view of the results of the Company, in so far as they concern members of the Company, for the financial year ended 30 June 2003.
- (b) the accompanying balance sheet is drawn up so as to give a true and fair view of the state of affairs of the Company, in so far as they concern members of the Company, as at the end of that financial year.
- (c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due,
- (d) meetings of the Directors were held during the year ended 30 June 2003 in accordance with the rules of the Company;
- (e) to the knowledge of the Directors, there have been no instances where records of the Company or other documents (not being documents containing information made available to a member of the Association under subsection 274 (2) of the Workplace Relations Act 1996, or copies of those records or other documents, or copies of the rules of the Company) have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the Association; and
- (f) in relation to the report prepared in accordance with section 276 of the Workplace Relations Act 1996, by the auditor of the organisation in respect of the financial period immediately preceding the financial period to which the financial statements relate, and in relation to any accounts and statements prepared in accordance with subsection 273 (1) of the Workplace Relations Act 1996, to which that report relates; the organisation has complied with subsection 279 (1) of the Workplace Relations Act 1996 and whichever of subsections 279 (6) and (7) of the Workplace Relations act 1996 is applicable.

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

DATED this 18<sup>th</sup> day of NOV 2003

  
Director  
(GEOFF CREDHILL)

  
Director  
(Sandra Bucello)

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

STATEMENT OF PARTICULARS OF LOANS, GRANTS AND DONATIONS  
FOR THE YEAR ENDED 30 JUNE 2003

I, Philip Ibbotson, Secretary of the Master Grocers' Association of Victoria Limited, state, in respect of the financial year ending 30 June 2003, that:

no loans, grants or donations of an amount exceeding \$1,000 were made by the Master Grocers' Association of Victoria Limited during the financial period.

DATED this

19<sup>th</sup>

day of November

2003



**Philip Ibbotson**  
Secretary

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2003**

	NOTE	2003 \$	2002 \$
<b>CURRENT ASSETS</b>			
Cash		299,411	295,283
Receivables	8	32,624	26,570
Inventories		-	-
<b>Total Current Assets</b>		332,035	321,853
<b>NON CURRENT ASSETS</b>			
Receivables		-	-
Investments	9	2,454,946	2,602,719
Property, Plant & Equipment	10	1,273,071	1,290,982
<b>Total Non Current Assets</b>		3,728,017	3,893,701
<b>TOTAL ASSETS</b>		4,060,052	4,215,554
<b>CURRENT LIABILITIES</b>			
Creditors & Borrowings	11	14,026	56,935
Provisions	12	16,469	25,913
<b>Total Current Liabilities</b>		30,495	82,848
<b>NON CURRENT LIABILITIES</b>			
Creditors & Borrowings	11	-	-
Provisions	12	-	-
<b>Total Non Current Liabilities</b>		-	-
<b>TOTAL LIABILITIES</b>		30,495	82,848
<b>NET ASSETS</b>		4,029,557	4,132,706
<i>Represented by:</i>			
<b>ASSOCIATION MEMBERSHIP FUNDS</b>			
Accumulated Funds		4,029,557	4,132,706
<b>TOTAL MEMBERSHIP FUNDS</b>		4,029,557	4,132,706

The accompanying notes form part of these accounts

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

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2003**

	NOTE	2003 \$	2002 \$
Operating Profit / (Loss) before Abnormal Items and Income Tax	5	(103,149)	105,959
Abnormal Item before income Tax		-	-
Operating Profit		<u>(103,149)</u>	<u>105,959</u>
Income Tax	7	-	9,081
Operating Profit after Income Tax		<u>(103,149)</u>	<u>96,878</u>
Profit (or loss) on extraordinary items		-	-
Income tax attributable to profit (or loss) on extraordinary items		-	-
Profit (or loss) on extraordinary items after Income Tax		<u>-</u>	<u>-</u>
Operating Profit and extraordinary items after Income Tax attributable to Members of the Company		<u>(103,149)</u>	<u>96,878</u>
Retained Profits at the beginning of the financial year		4,132,706	4,035,828
Total Available for Appropriation		<u>4,029,557</u>	<u>4,132,706</u>
Dividends provided for or paid	6	-	-
<b>Retained Profits at the end of the financial year</b>		<u><u>4,029,557</u></u>	<u><u>4,132,706</u></u>

The accompanying notes form part of these accounts

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

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2003**

	NOTE	2003 \$	2002 \$
<b>Income</b>			
Subscriptions		138,596	127,855
MGAV Agreement 2002		40,818	-
Commission		606	273
Davids EBA		-	636
Food Safety Workshop		18,707	15,529
Magazine Advertising		40,943	20,980
Retail Sales & Training		6,510	6,577
Shoppers Anonymous Program		6,210	-
RSA Workshop		4,620	-
MGAV Liquor Expo		-	1,856
Local groc.com		708	708
Government Grants Received		(33)	15,724
MGAV Tour			65,079
Miscellaneous Income		405	500
		258,091	255,717
<b>Cost of Sales</b>			
Magazine production costs		36,242	45,414
Retail sales and training		7,095	-
		43,337	45,414
<b>Gross Profit</b>		214,754	210,303

The accompanying notes form part of these accounts

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

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2003**

	NOTE	2003 \$	2002 \$
<b>Gross Profit (carried forward)</b>		214,754	210,303
<b>Operating Expenses</b>			
Accounting		15,092	12,147
Audit fees		4,491	4,000
Affiliations/Subscriptions		17,965	4,692
Bad debts		-	1,785
Bank fees		1,159	1,745
Cleaning		1,890	2,015
Consulting services		729	2,249
Depreciation Expenses		17,352	21,075
Directors' Costs		23,793	21,710
Electricity		4,029	4,021
Entertainment		1,956	136
Fringe benefit tax		7,030	6,170
Groceries		1,275	1,306
Holiday pay		(363)	4,401
Insurance		10,533	8,178
Legal fees		75,373	93,879
Meeting costs (inc. AGM)		6,474	2,381
MGAV tour		-	59,353
Milton Parade outgoings (inc. rates etc)		2,642	1,404
Office refit LSAV		-	1,389
Office requirements		-	727
Postage/Courier		7,007	4,450
Promotion of MGAV		36,344	6,347
Retail sales & training		2,695	-
Repairs & maintenance		6,182	2,727
RTO status		1,945	5,035
Salaries		115,365	102,956
Staff vehicle costs		7,394	5,852
Stationery and printing		9,516	5,504
Smart Tec programme		3,612	16,251
Staff training		1,383	2,596
Stamp duty		250	402
Store training		-	7,830
Superannuation		41,546	35,573
Supplies & services		217	1,306
Sundry		-	(220)
Telephone/Fax/Internet		22,028	16,302
Travel & accommodation		7,595	8,767
Workshops		-	5,677
Worker's compensation		2,786	1,634
		<u>457,284</u>	<u>483,750</u>
<b>Operating Profit</b>		<b>(242,530)</b>	<b>(273,447)</b>

The accompanying notes form part of these accounts

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

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2003**

	NOTE	2003 \$	2002 \$
<b>Operating Profit (carried forward)</b>		(242,530)	(273,447)
<b>Other Income</b>			
			-
Interest income		13,774	16,041
Dividend		89,105	76,120
Trust distribution		44,768	34,041
Profit on sales of shares		94,377	248,423
Suite 4 rental income		45,333	39,530
( Suite 5 rental income		52,771	50,269
		<u>340,128</u>	<u>464,425</u>
<b>Other Expenses</b>			
Brokerage		11,834	14,298
Land tax		155	130
Loss on disposal of shares		161,416	55,125
Loss on disposal of fixed assets		5,425	-
Suite 4 rental expenses		4,786	5,224
Suite 5 rental expenses		5,504	6,272
Suite 9 rental expenses		3,598	3,968
Loss on share revaluation		8,030	-
		<u>200,747</u>	<u>85,018</u>
<b>Net Profit/Loss</b>		<u>(103,149)</u>	<u>105,959</u>

The accompanying notes form part of these accounts



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2003**

**STATEMENT OF CASH FLOW**

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from Members	214,148	226,620
Receipts from Advertising	34,789	23,600
Receipts Other	-	15,724
Dividend & Trust Income Received	133,953	77,226
Interest Received	14,046	13,417
Rents Received	98,104	89,799
Payments to suppliers and employees	(543,061)	(512,142)
Income Tax paid	(9,081)	-
Net Cash Provided by (used in) Operating Activities	(57,102)	(65,756)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Proceeds from sale investments	796,459	583,581
Proceeds from sale plant & equipment	14,000	-
Payments for plant and equipment	(18,866)	(2,850)
Payments for investments	(722,222)	(655,246)
Net Cash Provided by (used in) Investment Activities	69,371	(74,515)
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<b>12,269</b>	<b>(140,271)</b>
<b>CASH AS AT START OF FINANCIAL YEAR</b>	<b>287,142</b>	<b>427,413</b>
<b>CASH AS AT END OF FINANCIAL YEAR</b>	<b>299,411</b>	<b>287,142</b>

(a) Reconciliation of Operating Profit after income tax to net cash provided by (used in) operating activities:

Operating Profit / (Loss) after income tax	(103,149)	96,878
<b>Non-cash flows in operating profit:-</b>		
Dividends & Distributions acquired ex DRP & Bonus Plan	(1,534)	(37,078)
(Profit) / Loss on sale of investments	75,070	(193,297)
(Profit) / Loss on sale of plant & equipment	5,425	-
Depreciation	17,352	21,075
<b>Change in assets and liabilities:</b>		
(Increase) / Decrease		
- Trade Debtors	(9,154)	25,161
- Sundry Debtors, Prepayments & Receivables	3,100	(13,416)
(Decrease) / Increase		
- Trade Creditors & Accruals	(34,768)	21,439
- Employee Provisions	(363)	4,401
- Provision for Income Tax - 1997	(9,081)	9,081
Net cash provided by operating activities	(57,102)	(65,756)

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2003

**NOTE 1 STATEMENT OF ACCOUNTING POLICIES**

The financial statements are a general purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Corporations Law, including the disclosure requirements of Schedule 5 of the Corporations Regulations. The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. The accounting policies have been consistently applied unless otherwise stated.

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

**(a) Depreciation**

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

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

(a) In accordance with the requirements of the Workplace Relations Act 1996, the attention of members of the Master Grocers' Association of Victoria Limited is drawn to the provisions of subsections (1), (2) and (3) of Section 274, which reads as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- (2) an organisation shall, on application, make the specified information available to the member or registrar in the manner, and within the time, such as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member;

	2003	2002
	\$	\$

**NOTE 3 AUDITORS REMUNERATION**

Total amount receivable by the Auditors of the Company for:

a) Audit of the Accounts	4,091	3,600
b) Other Services	400	400

No other benefits were receivable by the Auditors

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2003**

	2003	2002
	\$	\$
<b>NOTE 4 DIRECTORS EMOLUMENTS</b>		
Total emoluments excluding amounts in respect of fixed salaries as employees received or due and received from the Company		
(i) Directors engaged in the full time employment of the Company	NIL	NIL
(ii) Other Directors of the Company	23,793	21,710
 <b>NOTE 5 OPERATING PROFIT / (LOSS)</b>		
Operating Profit / (Loss) has been determined after:		
<b>(a) Charging as expenses</b>		
Audit Fees	4,491	4,000
Depreciation	17,352	21,075
Transfers to Provisions for:		
- Annual Leave	(363)	4,401
 <b>(b) Crediting as income</b>		
Interest Received from other persons	13,774	16,041
Dividends from other companies	89,105	76,120
 <b>(c) Operating Revenue</b>		
(i) Subscriptions and Magazine Income	179,539	148,835
(ii) Other Operating Revenue		
Commission	606	273
Davids EBA	-	636
Dividends	89,105	76,120
Government Grants Received	(33)	15,724
Interest	13,774	16,041
Food Safety Workshop	18,707	15,529
MGAV Retail Sales	6,510	6,577
MGAV Tour (gross proceeds before costs)	-	65,079
Proceeds sale of investments	796,459	776,879
Rental income	98,104	89,799
Trust Distributions	44,768	34,041
MGAV Agreement - 2002	40,818	-
Shoppers Anonymous Program	6,210	-
RSA Workshop	4,620	-
Sundry Other	1,113	3,064

**THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2003**

**NOTE 6 DIVIDENDS POLICY**

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

**NOTE 7 INCOME TAX**

On the 19th of February 2003 the Association was registered as an employer association pursuant to the *Workplace Relations Act 1996*. Subsequent to this registration the Directors sought a Ruling from the Australian Taxation Office as to its tax status.

In a Private Ruling dated the 18th of July 2003 the Association was advised that it is an entity exempt from income tax in accordance with provisions of subsection 50-1 of the *Income Tax Assessment Act 1997* and is therefore exempt from tax from the year ending 30th June 2003.

Accordingly the Directors' have determined that Income Tax Effect Accounting should not be adopted.

**NOTE 8 RECEIVABLES**

	2003	2002
	\$	\$
<i>Current</i>		
Trade Debtors	16,259	7,105
Accrued Income	2,644	-
GST Refundable	4,421	1,809
Withholding Tax Paid	2,273	-
Sundry Debtors & prepayments	7,027	17,656
	32,624	26,570
	-	-
<i>Non Current</i>		
	-	-

**NOTE 9 INVESTMENTS**

<i>Non Current</i>		
Shares in other corporations not listed on a prescribed stock exchange		
* Shares in NARGA - At directors' valuation 2003	0	8,000
Shares in related corporations		
* At cost	0	0
Shares in listed corporations		
* At cost	1,830,172	1,946,564
(Market Value at 30.6.03 \$1,932,693)		
Units in listed managed funds		
* At cost	150,000	150,000
(Market Value at 30.6.03 \$123,464)		
Units in listed property trusts		
* At cost	474,774	498,155
(Market Value at 30.6.03 \$535,037)		
	2,454,946	2,602,719
	-	-

**THE MASTER GROCERS' ASSOCIATION OF VICTORIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2003**

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 10 PROPERTY, PLANT AND EQUIPMENT</b>		
<i>Property:</i>		
Suites 4, 5 & 9 / 1 Milton Pde, Malvern	1,219,562	1,219,562
Plant and equipment at cost	104,982	118,730
Less accumulated depreciation	(51,473)	(47,310)
	<u>1,273,071</u>	<u>1,290,982</u>

The properties at Malvern were valued independently as at 24th May 2000 by Ray White Valuations (Vic) at a market value of \$1,293,000.

**NOTE 11 CREDITORS AND BORROWINGS**

*Current*

Bank Account	-	8,141
Sundry Creditors & Accruals	12,583	45,992
Credit Card	1,443	2,802
	<u>14,026</u>	<u>56,935</u>

*Non Current*

	-	-
	-	-

**NOTE 12 PROVISIONS**

*Current*

Provision for Income Tax - 1997	-	9,081
Employee Entitlements - Provision for Annual Leave	16,469	16,832
	<u>16,469</u>	<u>25,913</u>

*Non Current*

	-	-
	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2003

**NOTE 14 RELATED PARTY TRANSACTIONS**

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

<b>CLARINGBOULD</b> , Donald Graham	<b>GLEDHILL</b> , Geoffrey Dunstan
<b>ALLEN</b> , Rodney Frederick	<b>JOHNSON</b> , Ivor James
<b>DALY</b> , Michael	<b>MORGAN</b> , Roger
<b>MILLER</b> , Stephen Andrew	<b>COWLEY</b> , Jean
<b>GAYLARD</b> , Peter Richard	

During this financial year:

Mr G.Gledhill received remuneration, being the Chairmans Allowance, from the Company of \$4,000.

Mr G.Gledhill, Mr I. Johnson, Mr J. Cowley, Mr D. Claringbould, Mr S. Miller, Mr M. Daly and Mr R. Morgan, received remuneration, being director fees, from the Company of \$2,500 respectively

Mr R. Allen received remuneration from the Company of \$1,459 as director fees,

Ms S. Bucello received remuneration from the Company of \$834 as an invited board representative.

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

**NOTE 15 MEMBERS GUARANTEE**

The Company is limited by guarantee. If the company is wound up, the Constitution of the Company states that each member is required to contribute a maximum amount not exceeding one year's subscription towards meeting any outstanding obligations of the Company. At 30 June 2003 the number of member stores was 561 (in 2002 the number of members was 526).

**NOTE 16 CONTINGENT LIABILITIES**

There are no Contingent Liabilities known by the Directors of the Company.