



FAIR WORK
COMMISSION

7 April 2014

Mr Rodney Frederick Allen
President
Master Grocers Australia Limited
Suite 5, 1 Milton Parade
Malvern VIC 3144

Dear Mr Allen

**Re: Lodgement of Financial Accounts and Statements - Master Grocers Australia Limited -
for year ended 30 June 2013 [FR2013/385]**

I acknowledge receipt of the financial report of the Master Grocers Australia Limited (the organisation) which was lodged with the Fair Work Commission (FWC) on 2 December 2013.

The financial report has been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.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 2014 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Auditor's report: declaration regarding going concern

Paragraph 45 of the reporting guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

Key Management Personnel

General Purpose Financial Reports are required to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard AASB 119: *Employee Benefits*.

Note 16 appears to disclose a listing of key management personnel for the organisation by listing the names of Directors during the financial year as well as amounts of fees paid and travel costs for each of the Directors. In addition, Note 16(b) states that "There were no other material transactions between related parties except for...". A clearer way to report the required information is to list the amounts in the categories set out above, even if the amount is zero and all in one Note.

Note 3 discloses the same total amounts, but distinguishes between Directors who are "*engaged in full-time employment with the Company*" (nil) and '*other Directors*' to whom the emoluments were paid. It could be inferred that '*other Directors*' are not employees of the reporting unit in any sense, but Note 5 discloses the amount as "Benefits to Holders of Office". On the surface and in context this suggests a disclosure of employee benefits as required by item 17(f) of the Reporting Guidelines. If the Directors to whom the emoluments are paid are not employees the Notes and benefits disclosures should make this clear.

Disclosure of employee benefits to office holders and other employees

The Reporting Guidelines require that all employee and office holder benefits expenses (refer to items 17(f), 17(g)), and provisions (refer to items 21(c) and 21(d)) be detailed separately.

In respect of benefits expenses for employees, Note 5 has separately disclosed wages and salaries, superannuation, annual leave long service leave and other employee expenses as separate categories but does not separately disclose separation and redundancies.

Item 18 of the Reporting Guidelines states that if any of the activities identified in item 17 have not occurred in the reporting period, a statement to this effect (or a nil balance¹) must be included in the notes to the GPFR.

In respect of benefits expenses for holders of office, Note 5 discloses a single balance which is otherwise disclosed at Notes 3 and 16 as the emoluments to Directors. If there were no employee benefits expenses paid to office holders, item 18 of the Reporting Guidelines (see previous paragraph) would apply here also.

In respect of benefits provisions for employees, Note 14 has separately disclosed current balances for annual leave and long service leave, but not for separation and redundancies or for '*other employee provisions*'. There was no disclosure for either current or non-current provisions for holders of office. Item 22 of the Reporting Guidelines states that if any of the activities identified in item 21 have not occurred in the reporting period, a statement to this effect (or a nil balance) must be included in the notes to the GPFR.

In preparing the next financial return, the organisation might find it useful to categorise the disclosures within one note, as set out in items 17(f), 17(g) (for benefits expenses of employees

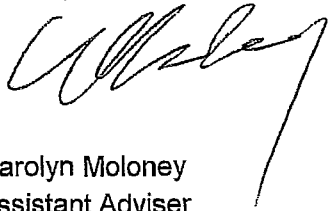
¹ See model financial statements at

https://www.fwc.gov.au/documents/documents/organisations/reporting_guidelines/Model-financial-statements.pdf

and office holders), and in items 21(c) and 21(d) (for provisions for employees and office holders).

If you have any queries regarding this letter, please contact me on (02) 8374 6510 or via email at orgs@fwc.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carolyn Moloney', with a long vertical stroke extending downwards from the end of the signature.

Carolyn Moloney
Assistant Adviser
Regulatory Compliance Branch
Fair Work Commission

From: [Andrea Bogtstra](#)
To: [Orgs](#)
Cc: [Jos de Bruin](#); [Rod Allen](#); [Philip Ibbotson](#); [Angela Lim](#)
Subject: FR2013/385
Date: Monday, 2 December 2013 1:33:50 PM
Attachments: [649A FS2013 FWC lodged 02.12.13.pdf](#)

Dear Ms. Wilkin,

**Re: Master Grocers Australia Limited
Lodgment of Financial Documents for year ended 30 June 2013 [FR2013/385]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

Please find attached in a PDF version, the Financial Reports for the year ended 30 June 2013 for the above reporting unit including:

- General Purpose Financial Reports
- Operating Report
- Auditors Report
- Designated Officers Certificate

Please contact either Philip Ibbotson or myself should you have any queries.

Thank you.

Kind regards,

Andrea Bogtstra CA

**Ibbotson +
Moscatelli** 

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MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
FINANCIAL RETURN
FOR THE YEAR ENDED 30 JUNE 2013

I N D E X

Page	General Purpose Financial Reports
1	- Statement of Comprehensive Income
2	- Statement of Financial Position
3	- Statement of Changes in Equity
4	- Statement of Cash Flows
5	- Notes to the Financial Statements
12	- Committee of Management Statement
13	Operating Report
17	Auditors Independence Declaration
18	Auditors Report
19	Designated Officers Certificate

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 \$	2012 \$
Operating Revenue	4	2,237,056	2,002,976
Cost of Sales		(78,693)	(84,245)
		<hr/>	
Gross Profit		2,158,363	1,918,730
Other Revenues	4	722,935	361,687
National Development Expenses		-	(1,049)
Training Expenses		(246,227)	(214,133)
Employment Law Expenses		(32,216)	(40,111)
Occupancy Expenses		(43,586)	(46,398)
Employee Expenses		(1,522,826)	(1,473,237)
Commercial Bill Facility Expenses		(31,586)	(42,949)
Administration Expenses		(259,383)	(238,775)
Energy Efficiency Information Program Expenses		(322,711)	-
Depreciation and Amortisation		(139,531)	(134,696)
Other Expenses		(129,585)	(104,398)
Proceeds from Sale of Investments	5	530,007	493,584
Carrying Amount of Investments Sold	5	(344,610)	(474,753)
		<hr/>	
Profit from Ordinary Activities before Income Tax		339,044	3,503
Income Tax Expense	7	-	-
		<hr/>	
Profit attributable to Members		339,044	3,503

The accompanying notes form part of these accounts

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash		527,298	220,995
Receivables	8	548,995	357,455
Total Current Assets		<u>1,076,293</u>	<u>578,450</u>
NON CURRENT ASSETS			
Investments	9	1,472,894	1,538,720
Property, Plant & Equipment	10	1,401,955	1,418,092
Intangible Assets	11	9,740	12,175
Training Program Development	12	749,658	856,751
Total Non Current Assets		<u>3,634,247</u>	<u>3,825,737</u>
TOTAL ASSETS		<u>4,710,540</u>	<u>4,404,188</u>
CURRENT LIABILITIES			
Creditors & Borrowings	13	401,308	622,218
Provisions	14	133,295	122,922
Special Purpose Projects	15	252,845	-
Total Current Liabilities		<u>787,448</u>	<u>745,140</u>
NON CURRENT LIABILITIES			
Creditors & Borrowings	13	271,696	346,696
Total Non Current Liabilities		<u>271,696</u>	<u>346,696</u>
TOTAL LIABILITIES		<u>1,059,144</u>	<u>1,091,836</u>
NET ASSETS		<u>3,651,396</u>	<u>3,312,352</u>
<i>Represented by:</i>			
MEMBERS' EQUITY			
Accumulated Surplus		3,651,396	3,312,352
TOTAL MEMBERS' EQUITY		<u>3,651,396</u>	<u>3,312,352</u>

The accompanying notes form part of these accounts

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
Equity at the beginning of the financial year	3,312,352	3,308,849
Profit attributable to Members	339,044	3,503
Equity at the end of the financial year	<u>3,651,396</u>	<u>3,312,352</u>

The accompanying notes form part of these accounts

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from members (GST inclusive)	1,698,300	1,763,822
Government funding (GST inclusive)	1,049,325	387,386
Dividend & trust Income received	88,505	97,945
Interest received	16,615	7,833
Rents received (GST inclusive)	75,007	67,644
Sundry Receipts	22,505	89,870
Surplus from absorption of SRA and NARDA business operations	-	107,728
Payments to suppliers and employees	<u>(2,806,312)</u>	<u>(2,319,949)</u>
Net Cash Provided by (used in) Operating Activities	<u>143,945</u>	<u>202,279</u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Proceeds from sale of investments	530,007	493,584
Proceeds from sale of plant & equipment		
Payments for plant and equipment	(13,866)	(56,266)
Payments for investments	<u>(278,783)</u>	<u>(408,222)</u>
Net Cash Provided by (used in) Investment Activities	<u>237,358</u>	<u>29,096</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	<u>(75,000)</u>	<u>(144,000)</u>
Net Cash Provided by (used in) Financing Activities	<u>(75,000)</u>	<u>(144,000)</u>
NET INCREASE / (DECREASE) IN CASH HELD	<u>306,303</u>	<u>87,375</u>
CASH AS AT START OF FINANCIAL YEAR	<u>220,995</u>	<u>133,620</u>
CASH AS AT END OF FINANCIAL YEAR	<u>527,298</u>	<u>220,995</u>

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

Operating Profit after income tax	339,044	3,503
Non-cash flows in operating profit:-		
(Profit) on sale of investments	(185,397)	(18,831)
Depreciation and amortisation	139,531	134,696
Change in assets and liabilities:		
(Increase) / Decrease		
- Trade debtors	(190,575)	36,017
- Sundry debtors, prepayments & receivables	(965)	17,883
(Decrease) / Increase		
- Trade creditors & accruals	(220,911)	(19,789)
- Employee provisions	10,373	48,800
- Special purpose grants & projects	252,845	-
Net cash provided by operating activities	<u>143,945</u>	<u>202,279</u>

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

The financial statements are a general purpose financial report (GPFR) that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), the *Fair Work (Registered Organisations) Act 2009*, and the *financial reporting guidelines issued* by the General Manager of Fair Work Commission. Accounting standards include Australian equivalents to International Financial Reporting Standards.

The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. The accounting policies have been consistently applied unless otherwise stated.

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

(a) Revenue recognition

Members' subscriptions or fees are accounted for when invoiced and taken to profit over the period to which they apply.

Revenue in respect of training, workplace agreements and sundry income is accounted for when invoiced. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(b) 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.

(c) Employee entitlements

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

Long service leave is provided for in respect of employees with more than 5 years service.

(d) Investments

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

(e) Receipt of Grant Funding

Grants received are reconciled against the cost of providing services particular to the objective of each Grant. The component of funding not yet expensed is shown as a current liability. Grant income is recognised in accordance with the Grant offer upon the meeting of performance criteria and is calculated on the basis of the sum of out of pocket expenses incurred in performance of the Grant service and the market value of the time (in hours) taken in performance of the Grant service.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (CONT)

(f) Training Program Development

Investment in the development of the Compliance Management System training program is carried at cost. This includes an appropriate recovery of internal costs as well as outgoings to external parties.

The useful life of the Compliance Management System training program is considered to be finite. The cost of the program is being amortised equally over ten years.

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

NOTE 3 DIRECTORS EMOLUMENTS

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

	2013	2012
	\$	\$
(i) Directors engaged in the full time employment of the Company	NIL	NIL
(ii) Other Directors of the Company - Fees/Allowance for attendance as representatives at meetings received by directors of the company		
- Current Year	68,750	65,000
	68,750	65,000

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 4 REVENUE FROM ORDINARY ACTIVITIES		
Operating Revenue		
Membership Subscriptions	987,349	848,096
Corporate Partner Memberships	348,234	328,299
Training Programs	862,162	683,941
Workplace Relations	37,950	133,702
Other related income	1,361	8,938
	<u>2,237,056</u>	<u>2,002,976</u>
Other Revenue		
Commissions	20,459	20,370
Energy Efficiency Information Program Grant	539,645	-
Interest	16,615	7,833
Dividends	86,322	94,817
Trust Distributions	1,395	3,915
Rental income	58,499	59,562
Surplus from absorption of SRA business operations	-	77,873
Surplus from absorption of NARGA business operations	-	29,855
Recovery of Unclaimed Monies	-	60,100
Recovery of Wages	-	-
Other Income	-	7,362
	<u>722,935</u>	<u>361,687</u>

NOTE 5 PROFIT FROM ORDINARY ACTIVITIES

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

Auditors' Remuneration		
- Audit of the Accounts	8,800	9,000
- Other Services	-	500
Bad Debts	5,066	3,538
Depreciation and Amortisation Expense	139,531	134,696
Annual fee for affiliation with:		
- Political Parties		
- A.L.S.A.	15,650	10,820
- International Bodies	-	-
Donations	-	-
Benefits to Holders of Office	68,750	65,000
Benefits to Employees (other than Holders of Office):		
- Wages and Salaries	1,300,172	1,210,628
- Superannuation	118,016	105,569
- Transfers to Provisions for Annual Leave	(8,334)	443
- Transfers to Provisions for Long Service Leave	18,707	48,358
- Other Employee Expenses	94,265	108,239
Legal Cost	-	-

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 5 PROFIT FROM ORDINARY ACTIVITIES (CONT)		
(b) Specific Net Gains and (Losses):		
Proceeds from Sale of Investments	530,007	493,584
Carrying Amount of Investments Sold	344,610	474,753
Profit on Sale of Investments	<u>185,397</u>	<u>18,831</u>
 NOTE 6 DIVIDENDS POLICY		
No Dividends were paid during the financial year or are proposed to be paid.		
 NOTE 7 INCOME TAX		
The company is income tax exempt effective from a Private Ruling date of 18th July 2003		
 NOTE 8 RECEIVABLES		
<i>Current</i>		
Trade Debtors	548,739	352,814
Less: Provision Doubtful Debts	(7,000)	(1,650)
Accrued Income	-	788
Sundry Debtors & Prepayments	7,256	5,503
	<u>548,995</u>	<u>357,455</u>
 <i>Non Current</i>	<u>-</u>	<u>-</u>
 NOTE 9 INVESTMENTS		
<i>Non Current</i>		
Shares in listed corporations		
* At cost	1,472,894	1,520,720
(Market Value at 30.06.13 \$1,647,846)		
Units in listed property trusts		
* At cost	-	18,000
(Market Value at 30.06.13 \$0)		
	<u>1,472,894</u>	<u>1,538,720</u>

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 10 PROPERTY, PLANT AND EQUIPMENT		
<i>Property:</i>		
Suites 4, 5 & 9 / 1 Milton Pde, Malvern	1,219,562	1,219,562
Property Improvements, plant & equipment at cost	387,921	374,055
Less: accumulated depreciation	<u>(205,528)</u>	<u>(175,525)</u>
	<u>1,401,955</u>	<u>1,418,092</u>
<p>The properties at Malvern were valued independently as at 6 September 2007 by Antony Coady & Associates Pty Ltd at a market value of \$2,005,000.</p>		
NOTE 11 INTANGIBLE ASSETS		
Corporate Branding	24,350	24,350
Less: accumulated amortisation	<u>(14,610)</u>	<u>(12,175)</u>
	<u>9,740</u>	<u>12,175</u>
NOTE 12 TRAINING PROGRAMME DEVELOPMENT		
Opening balance	856,751	963,844
<i>Less:</i>		
- Amortisation charge for the year	<u>(107,093)</u>	<u>(107,093)</u>
	<u>749,658</u>	<u>856,751</u>
NOTE 13 CREDITORS AND BORROWINGS		
<i>Current</i>		
Trade Creditors	66,463	78,091
Sundry Creditors & Accruals	139,558	201,936
Credit Card	-	14,650
Subscriptions in Advance	91,983	224,237
ANZ Bank - Commercial Bills	<u>103,304</u>	<u>103,304</u>
	<u>401,308</u>	<u>622,218</u>
<i>Non Current</i>		
ANZ Bank - Commercial Bills	<u>271,696</u>	<u>346,696</u>
	<u>271,696</u>	<u>346,696</u>
NOTE 14 PROVISIONS		
<i>Current</i>		
Employee Entitlements - Provision for Annual Leave	66,230	74,564
Employee Entitlements - Provision for Long Service Leave	<u>67,065</u>	<u>48,358</u>
	<u>133,295</u>	<u>122,922</u>

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013

2013 2012
 \$ \$

NOTE 15 SPECIAL PURPOSE PROJECTS

Energy Efficiency Information Program (EEIP):

Progress Billings	792,490	-
Less:		
Revenue recognised during the year	(539,645)	-
Deferred EEIP Revenue	252,845	-

NOTE 16 RELATED PARTY TRANSACTIONS

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

Rodney Allen (President)	Jillian Dixon
Stephen Miller	Christopher Dos Santos (Appointed 16/11/2012)
Michael Daly	Gino Divitini
Deborah Smith	Grant Hinchcliffe
Andrew Bray	Joseph Romeo (Resigned 16/11/2012)

Emoluments due to the Directors for the 2013 financial year were as follows:

Director	Fees paid for services \$	Travel costs paid or reimbursed \$
Rodney Allen (President)	12,500	2,917
Stephen Miller	7,500	1,793
Michael Daly	7,500	1,573
Deborah Smith	7,500	4,906
Andrew Bray	7,500	2,818
Jillian Dixon	7,500	964
Christopher Dos Santos (Appointed 16/11/12)	3,750	2,633
Gino Divitini	7,500	4,241
Grant Hinchcliffe	7,500	2,060
Joseph Romeo (Resigned 16/11/2012)	-	1,001
	68,750	24,906

(b) There were no other material transactions between related parties except for the payments of promotion expenses of \$19,057 paid to a company owned by Ms. J Dixon.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17 MEMBERS GUARANTEE

The Company is limited by guarantee. If the company is wound up, the Constitution of the Company states that each member is required to contribute a maximum amount not exceeding one year's subscription towards meeting any outstanding obligations of the Company. At 30 June 2013, there were 2,250 members, 12 associate members and 32 corporate members.

NOTE 18 ECONOMIC DEPENDENCY

There is no economic dependency on another reporting unit.

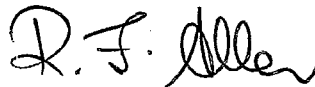
MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

On OCTOBER the 23RD 2013 the Committee of Management of Master Grocers Australia Limited passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2013:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines issued by the General Manager of Fair Work Commission (FWC);
- (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 Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the information sought in any request of a member of the reporting unit or the General Manager of FWC duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWC; and
 - (v) No orders have been made by FWC under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

For the Committee of Management:



Title of Office held:

President

DATED this 23RD day of OCTOBER 2013.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2013

The Directors of Master Grocers Australia Limited present their report to the members on the results of the Company for the financial year ended 30 June 2013 and on the state of affairs of the Company as at that date.

The following Directors of Master Grocers Australia Limited held office during the financial year and, unless noted, until the date of this report:

Rodney Allen	President	Jillian Dixon	Director
Stephen Miller	Vice President	Christopher Dos Santos (Appointed 16/11/12)	Director
Michael Daly	Director	Gino Divitini	Director
Deborah Smith	Director	Grant Hinchcliffe	Director
Andrew Bray	Director	Joseph Romeo (Resigned 16/11/12)	Director

PRINCIPAL ACTIVITIES

Master Grocers Australia Limited (MGA) is a national Industry Employer Association providing independent retail food and liquor stores with services and support within its 4 core pillar areas of Workplace Relations, Training and Compliance, Industry Community and Industry Representation to protect the status and best interests of its members. More recently, MGA embarked upon creating a 5th core pillar in the area of Energy Efficiency Information Programs.

MGA has its own Consent Awards negotiated with the trade unions on behalf of its members. MGA publishes 8 editions of its Independent Retailer magazine each year, provides a fortnightly E Checkout bulletin and conducts seminars, forums and workshops for its members. MGA also provides a suite of face to face and Online Compliance Training programs for its members and a widespread series of valuable store assistance programs presented at a store level.

OPERATING RESULTS

The net result of the Company for the year is a profit of \$339,044 (2012: Profit of \$3,503)

DIVIDENDS

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

NUMBER OF MEMBERS

As at year end there were 2,250 members, 12 associate members and 32 corporate members.

NUMBER OF EMPLOYEES

As at year end, the number of employees was 17 full time staff and 5 part time.

REVIEW OF OPERATIONS

MGA has had another very busy year providing vital support services to its independent supermarket and liquor store members around Australia and has established itself as the Peak National Employer Organisation representing independent supermarkets.

Retailer membership continues to grow in all states. The IGA Queensland Group of 270 stores joined MGA in April 2013.

MGA, through the acquirement of a \$990,000 funding grant from the Federal Government, Department of Environment and Climate change, were able to develop a World Class Energy Efficiency Information Program (EEIP) for its members around Australia establishing the 5th Core Pillar of MGA.

The EEIP has been completely dedicated to reducing the energy usage of members. A steering committee of industry specialists was formed, specific areas of supermarket energy reduction identified and a program of information tools developed. Tools include Facts Sheets, a complete Energy reduction industry Manual, a dedicated Website, www.mgaeip.com.au, a self assessment tool, an iPhone application and a comprehensive seminar program - 76 to be conducted in Australia from August 2013.

As per last financial year, the 2013 financial year has again provided many challenging circumstances for our industry including the ongoing challenges associated with the increased market power, dominance and competition of Coles and Woolworths, a less than confident consumer and a weak retail economy. MGA launched the Let's Have Fair Competition report in August 2012 to lift the profile of this very serious competition issue.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Similar to the last financial year, despite economic adversity and an increase in competition from the chains, Costco and Aldi, our members continue to trade vigorously albeit less profitably. Owing to the market dominance and power of the chains and their investment in unsustainable retailing developments (approved by ill informed councils and government) our member's confidence to invest in their business has reached an all time low.

Despite the less than robust trading conditions, independent supermarket and liquor store owners continue to explore minor improvements in their business and the development of a point of difference to attract customers to their stores to invest into their businesses. Our industry continues to change with many new store owners entering our industry, particularly from overseas.

MGA's Board of Directors continues to recognise that MGA is delivering a valuable support service to all members. The Board is committed to further investing in MGA infrastructure and people to continue an excellent level of support and service to members.

The Workplace Relations team is a core pillar of support and service that our members rely upon.

The Training team are in the midst of developing a suite of On Line training products that will save members time and resources, whilst providing a system that will enable a substantial reduction in risk and compliance breaches. MGA's training presence has improved greatly over the past 12 months particularly in the areas of On Line training - RSA & FS & FSS.

It has been a very busy year for industry representation with a number of visits to Canberra having taken place with Board members and Industry stakeholders. The Let's Have Fair Competition report launched in August 2012 was sent to over 400 politicians and bureaucrats as well as 2,300 members.

MGA's team has substantially built its staff capability, skill and knowledge within its 4 core pillars and is endeavouring to so in the 5th Core Pillar, the EEIP.

Since absorbing NARGA in 2011, MGA has become the peak national industry employer body in Australia for independent supermarkets and liquor stores. MGA's presence and profile has increased significantly with the launch of the LHFC report launched in August 2012 and the significant media exposure received as a consequence.

Over the past 12 months MGA and LRA has successfully faced many challenges and embraced many opportunities on behalf of its members around Australia.

The Year in Review

In a very busy and engaging year, MGA has had many highlights:

- MGA has successfully developed an EEIP for implementation over the next 18 months.
- Membership continued to grow with 270 IGA Queensland Members signing up in April 2013. Corporate membership has continued to play a vital support role for MGA - VISA has become a Platinum Corporate Member.
- The profile of MGA as an industry organisation continues to lift, with State and Federal government representatives and the media seeking MGA's comments and insights into industry matters.
- The development and launch of the Let's Have Fair Competition Report was a significant achievement. The Competition Committee worked many tireless hours to produce this report.
- MGA's Workplace Relations service and support continues to be well recognised for its excellent service.
- MGA's Workplace Relations (WR) team continued to make numerous submissions to FWC with respect to minimising wage increases and weekend penalty rates, opposing additional Public Holidays and opposing 3 x SDA applications concerning adult wage rates for juniors, employers to pay staff car parking and casuals with 12 months service becoming permanent. The WR team have again been engaged with the deregulation of trading hours hearings which will now become a major issue for MGA in Queensland since the demise of the QRTSA and the IGA group becoming members of MGA.
- MGA / LRA's Website has been significantly improved with member access and functionality simplified.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2013

- MGA's communication mediums include the Independent Retailer magazine, fortnightly E Checkouts and the website. All mediums have significantly improved and been well received by members in all states. Further, investment and development of MGA's Filemaker Data Base system has enabled better understanding of resource allocation.
- MGA's and LRA's industry events in each state have been very well received. Guest Speakers continue to attract members and have included state ministers, bureaucrats and industry leaders. Events have included industry breakfasts and golf days.
- LRA's Committee has been working with much enthusiasm and vigour toward achieving fair and sustainable outcomes for Packaged Liquor License members in Victoria, ACT and NSW.
- Workplace Relations seminars, such as the Know Your Award and National Retail Industry Award, have been well attended.
- MGA Retailer forums, workshops, visits to stores, and industry committees have been well supported and attended.
- MGA's attendance at industry events and functions, such as the SPAR, FoodWorks Conference/Expo, IGA>D's Expo, IGA State conferences, FoodWorks and IGA Regional meetings around Australia, have been very well received by members.
- MGA continues to make many submissions to, and attended many hearings with, State and Federal government departments.
- Strong and sustainable partnerships have been formed with key industry stakeholders such as Metcash, IGA>D, FoodWorks, Foodland, SPAR, Australian Liquor Marketers, Liquor Marketing Group, various industry service and product suppliers and State and Federal government politicians and bureaucrats.
- MGA's training offer has dramatically improved with MGA continuing to deliver Diploma and Certificate courses in WA, SA, VIC, TAS, ACT and NSW. Online training courses continue to improve, particularly in the Food Safety and RSA areas. The Compliance Management System continues to be well supported and is a major compliance tool for over 100 MGA members. The Workplace Health and Safety system has been developed and will be launched in the 2014 financial year.
- Membership services continues to expand and improve. Master Grocers Insurance Services continues to gain traction.
- MGA continues to consolidate its membership base in TAS, WA, VIC, QLD, the ACT and NSW.

SIGNIFICANT CHANGES

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

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 year subsequent to 30th June, 2013

LIKELY DEVELOPMENTS

Investment of MGA funds and resources will continue to be allocated to the development of support services for members. Membership in Queensland is forecasted to increase along with additional members being sourced from the liquor sector.

RIGHT OF MEMBERS TO RESIGN

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

SUPERANNUATION TRUSTEES

There is no superannuation trustee for the reporting unit.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2013

MEMBERSHIP OF THE COMMITTEE OF MANAGEMENT

The membership of the Committee of Management during the year ended 30th June 2013 is as follows:

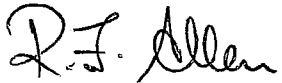
Name	Position	Period Held
ALLEN, Rodney	President	1 July 2012 - 30 June 2013
MILLER, Stephen	Vice President	1 July 2012 - 30 June 2013
BRAY, Andrew	Director	1 July 2012 - 30 June 2013
DALY, Michael	Director	1 July 2012 - 30 June 2013
DIVITINI, Gino	Director	1 July 2012 - 30 June 2013
DIXON, Jillian	Director	1 July 2012 - 30 June 2013
DOS SANTOS, Christopher	Director	16 November 2012 - 30 June 2013
HINCHCLIFFE, Grant	Director	1 July 2012 - 30 June 2013
ROMEO, Joseph	Director	1 July 2012 - 16 November 2012
SMITH, Deborah	Director	1 July 2012 - 30 June 2013

AUDITORS INDEPENDENCE DECLARATION

A copy of the independence declaration is set out on the page 17.

This report is made in accordance with a resolution of the Directors

DATED this *23rd* day of *OCTOBER* 2013.



Director



Director

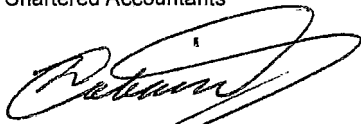
**MASTERS GROCERS AUSTRALIA LIMITED
A.CN. 004 063 263
AUDITORS' INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MASTER GROCERS AUSTRALIA LIMITED**

In accordance with section 307C of the Corporations Act 2001, I declare that,
to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

- (a) no contraventions of the auditors' independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

DATED this *23RD* day of *OCTOBER* 2013

COBAIN & LIM PTY LTD
Chartered Accountants



N A COBAIN
Registered Company Auditor Number: 10612

211 / 566 St. Kilda Rd
MELBOURNE VIC 3004

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
INDEPENDENT AUDITORS REPORT

Scope

We have audited the attached financial report, being the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows and Notes to and forming part of the accounts of Master Grocers Australia Limited for the year ended 30th June 2013. The Company's Directors are responsible for the preparation and presentation of the financial report and the information they contain.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

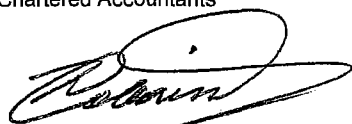
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001

Audit Opinion

In our opinion, the attached general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

DATED this 23RD day of October 2013

COBAIN & LIM PTY LTD
Chartered Accountants



N A COBAIN
Registered Company Auditor Number: 10612


211 / 566 St. Kilda Rd
MELBOURNE VIC 3004

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
DESIGNATED OFFICER'S CERTIFICATE
FOR THE YEAR ENDED 30 JUNE 2013

I, Rodney Frederick Allen, being the President of Masters Grocers Australia Limited, certify:

- * that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- * that the full report was provided to members on 28 / 10 / 2013; and
- * that the full report was presented to a general meeting of members of the reporting unit on 19 / 11 / 2013 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

DATED this 19th day of NOVEMBER 2013.



President