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

INDEX

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

The Directors of Master Grocers Australia Limited ("the Company") present their report to the members on the results of the Company for the financial year ended 30 June 2023 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 full financial year and until the date of this report:

Name	Current Position	Period as a Director
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 for other requirements such as electricity, gas and merchant payment facilities
Networking - industry breakfasts, golf days and other events

The Company's key objectives for the financial year are summarised as follows:
- excellent service delivery to our members in all major areas outlined above
- finalise the launch of our new brand, including implementation of the new website and customer relationship management system

The Company also aims to ensure ongoing financial sustainability in the longer term through management of membership numbers and control of costs.

In order to meet these objectives, the Company has implemented the following strategies:
- a comprehensive operating budget
- sound financial management of the Company's investments
- a comprehensive review of the internal organisation structure
- a review of the Company's Constitution to ensure it is fit for purpose

Performance in achieving the Company's objectives is measured in a number of different ways including quantity of contacts, quality of advice (time), number of e-alerts and magazines distributed, the number of training courses facilitated and the number of submissions and representations made.

OPERATING RESULTS

The Company reported a profit from ordinary activities amounting to $231,334 (2022 loss:$88,893) for the year ended 30 June 2023.

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

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the company in future financial years.

LIKELY DEVELOPMENTS

Investment of MGA funds and resources will continue to be allocated to the development of support services for members.

Levels of investment and the resulting impact on the Profit and Loss will be closely monitored throughout the year.

Modest increases in membership and revenue is forecasted however renumeration and operational costs will need to be monitored.

DETAILS OF CURRENT DIRECTORS

	Date Appointed	Experience and Special Responsibilities
Rosario (Ross) Anile	11th February 2019	Ross was self-employed in the food industry for over 30 years and was a member of the Foodland retail advisory committee for 15 years, a Metcash State Board member for 10 years and a Metcash National Board member for 4 years. Currently engaged by the WA Stonefruit Industry to represent stonefruit growers in WA at a government and industry level, Ross is also a director of the Logistics and Defence Skills Council and an active member of the Roleystone Volunteer Bushfire Brigade.
Christopher (Chris) dos Santos Cert. IV in Business and Front Line Management	16th November 2012	Chris has had 15 years experience in the Retail Industry owning and operating supermarkets in South Australia, along with 21 years' experience in State Public Office. Chris's roles include Business Management Manager, Procurement, Senior Project Officer Health Procurement Reform and Procurement lead Oracle ERP. Chris's other directorships include Sorte Pty Ltd, Retiro Alergre Pty Ltd, Purveyors of Fine Foods Pty Ltd, Dos Santos Finance Pty Ltd and Santos Retail Pty Ltd.
Graeme Gough	5th July 2017	Until recently, Graeme was the owner operator of the SPAR supermarket in Ballina NSW. Graeme has extensive experience in the oil industry, particularly in fuel distribution and convenience stores. Graeme is also a director of LittleOak Organics Pte Ltd, a goat milk infant formula company.
Donald Jeffrey (Jeff) Harper	7th February 2019	Jeff has been employed in his family-owned supermarket business in Victoria for 18 years. In addition to growing his business, Jeff has been the chairperson of the Victorian IGA State Board for 6 years and has recently undertaken the role of chairperson of the Victorian IGA Liquor Committee. Jeff is also a director of Cooperative Supermarkets of Australia Pty Ltd. Jeff is passionate about building a thriving independent network for business owners, community members and our customers.
Grant Hinchcliffe B. Business (Accounting & Finance); Associate Dip. Of Business (Accounting)	15th December 2011	Grant has extensive background in the retail grocery industry, spanning over three decades through his prior affiliation with Tasmanian Independent Retailers Co-operative Society Limited ("TIR"). TIR serves as the representative and administrative body for the IGA retailer network and other independent grocery stores in Tasmania. Throughout his tenure at TIR, Grant has occupied various positions including a directorship from 2007 to 2015 and the role of CEO from 2007 to August 2023. Grant is also a director of Statewide Independent Wholesalers (SIW), the primary wholesaler serving independent grocery retailers in Tasmania and of the Tasmanian Small Business Council.

DETAILS OF DIRECTORS (CONT)

	Date Appointed	Experience and Special Responsibilities
Ripple Parekh Graduate AICD Master of Business Administration Bachelor of Engineering (Electronics &Telecommunication) Certificate IV in Property Services (Business Broking) Certificate IV in Property Services (Real Estate)	19th November 2020	Ripple is a business owner from the Parekh Group, a family owned business group with supermarkets being their major business. The family owns 8 IGAs & 4 Foodworks Stores. Ripple is also a director of the Independent Liquor Group.
Terry Slaughter Justice of the Peace	25th November 2021	Terry has been the owner and operator of IGA Springfield Lakes for over 10 years and has over 30 years' experience in retail. Terry is passionate about championing independent and family-owned businesses, and being 'community centric' through the work undertaken as part of the IGA brand. Terry believes in strong political and government relationships and continues to advocate for fairer independent retailing conditions to ensure MGA members across the network remain relevant into the future.
Deborah (Debbie) Smith Masters of Business Administration	7th June 2006	Debbie became a director of Master Grocers Association of Victoria Limited in 2005, as the first elected non-victorian director. Debbie was instrumental in establishing the MGA as a national organisation for the independent supermarket industry and was President of MGA from 2019 to February 2023. Debbie has 26 years' experience in independent supermarkets, owning a number of stores in and around Toowoomba in Queensland. A passionate advocate for small business, Debbie has also served as a Director of Australian United Retailers (2003-2015), and as an Advisor to the Queensland Small Business Advisory Committee (2016-2021). Debbie was appointed as a director of First Super Pty Ltd in April 2023.
Lincoln Wymer Diploma Retail Management	22nd November 2018	Lincoln has worked as the Chief Operating Officer of a multi store ownership group, operating independent licensed supermarkets in Victoria and New South Wales since 2006. The group currently comprises 10 FoodWorks supermarkets, 12 GO Grocers, 2 IGA supermarkets and one (1) Cellarbrations. Lincoln has been working full time in the supermarket industry since 1992, including a 10 year period with Woolworths/Safeway, and in the independent supermarket sector for over 20 years. Lincoln has also been a director of the Victorian State Advisory Committee for Australian United Retailers (AUR/FoodWorks) since 2011.

DIRECTORS' MEETINGS

The number of Board of Director's meetings and the number of meetings attended by each of the directors during the financial year were:

Director	Board Meetings		Comments
	Number eligible to attend	Number attended	
Deborah Smith	9	9	
Ross Anile	9	9	
Christopher Dos Santos	9	7	
Graeme Gough	9	7	
Jeff Harper	9	8	
Grant Hinchcliffe	9	9	
Ripple Parekh	9	9	
Terry Slaughter	9	9	
Lincoln Wymer	9	8	

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 part-time employee of the Company or related corporation.

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.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the independence declaration is set out on page 5.

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

DATED this 25th day of October 2023

Director

Director

MASTER GROCERS AUSTRALIA LIMITED

Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001

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 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.

Phillip Elliott

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Phillip Elliott *

620 St Kilda Road, Melbourne

Dated this 31st day of October 2023

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

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

	NOTE	2023 $	2022 $
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		2,302,725	2,208,136
Income for furthering objectives	3		
Grants and donations	3A	-	-
Total income from furthering objectives		-	-
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		335,276	(79,172)
Total income		2,638,001	2,128,964
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)
		(2,406,667)	(2,217,858)
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		231,334	(88,893)

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

	NOTE	2023 $	2022 $
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		3,731,335	3,702,555
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		3,021,778	3,023,674
TOTAL ASSETS		6,753,114	6,726,229
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		581,271	789,015
NON CURRENT LIABILITIES			
Lease liability	14	-	3,483
Employee provisions	16	12,912	6,134
Total non current liabilities		12,912	9,617
TOTAL LIABILITIES		594,183	798,632
NET ASSETS		6,158,931	5,927,596
Represented by:			
MEMBERS' EQUITY			
Revaluation Reserves		1,603,292	1,603,292
Retained earnings		4,555,638	4,324,304
TOTAL MEMBERS' EQUITY		6,158,931	5,927,596

MASTER GROCERS AUSTRALIA LIMITED
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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	1,603,292	4,324,304	5,927,596

	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	1,603,292	4,555,638	6,158,930

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		(2,606,640)	(2,465,087)
Net cash provided by (used in) operating activities	17A	188,241	(36,854)
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		(2,033)	(2)
Net cash provided by (used in) investment activities		(661,581)	(66,999)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liability		(4,272)	(4,272)
Net cash provided by (used in) financing activities		(4,272)	(4,272)
NET INCREASE / (DECREASE) IN CASH HELD		(477,611)	(108,126)
CASH AS AT START OF FINANCIAL YEAR		1,013,005	1,121,131
CASH AS AT END OF FINANCIAL YEAR	7	535,394	1,013,005

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 liabilties 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 postion. 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 determing the best estimate.

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.

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.

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.

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.

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.

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.

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 enforeable 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.

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 perfomed 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 dimishing 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.

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 beneifts 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.

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.

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.

	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.

	2023	2022
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:

	2023	2022
Income funding sources		
Members	-	-
Government	-	-
Other parties	-	-
Total revenue for furthering activities	-	-

NOTE 3A Grants and /or donations

	2023	2022
Grants	-	-
Donations	-	-
Total grants and donations	-	-

NOTE 3B Net gains from disposal of assets

	2023	2022
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

	2023	2022
Managed investment portfolio	187,174	(216,862)

NOTE 3D Investment income

	2023	2022
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

	2023	2022
Properties	51,768	51,975
Total rental income	51,768	51,975

NOTE 3F Other income

	2023	2022
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

	2023	2022
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

	2023 $	2022 $
NOTE 4B Affiliation fees		
Political parties	-	-
Council of Small Business Association	8,800	8,000
	8,800	8,000
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 accomodation	75,528	36,112
Venue hire and catering	22,310	3,489
	391,968	330,815
Operating lease rentals:		
Minimum lease payments	-	-
	391,968	330,815
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/Renalty Rates & IR Reform	-	-
Postage / email campaigns	4,918	6,335
	75,170	106,409
NOTE 4E Loans, Grants and/ or donations		
Grants		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
	-	-
Donations		
Total paid that were $1,000 or less	691	189
Total paid that exceeded $1,000	-	-
	691	189
NOTE 4F Depreciation and amortisation		
Depreciation		
Right of use assets	3,554	3,554
Property,plant & equipment	69,162	67,965
	72,716	71,519
Amortisation		
Intangible assets	14,465	14,465
Total depreciation and amortisation	87,181	85,984
NOTE 4G Finance costs		
Unwinding of discount	310	534
NOTE 4H Writedown and impairment of assets		
Property, plant and equipment	-	-
Intangibles	-	-
Investment in joint venture	-	-
	-	-
NOTE 4I Net losses from disposal of assets		
Property, plant and equipment	-	-
Intangibles	-	-
	-	-
NOTE 4J Legal costs		
Litigation	-	-
Other legal matters	2,300	2,411
	2,300	2,411

	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

	2023 $	2022 $
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

	2023 $	2022 $
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:

	2023 $	2022 $
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 liabilites 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 .

		2023 $	2022 $
NOTE 9	**OTHER CURRENT ASSETS**		
	Current		
	Accrued income	104,778	75,455
	Prepayments	14,505	24,239
		119,283	99,694
NOTE 10	**FINANCIAL ASSETS**		
	Current		
	Financial assets at fair value through profit or loss (including designated)		
	Managed Investment portfolio	2,894,440	2,128,012
		2,894,440	2,128,012

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.

	2023 $	2022 $
Non Current		
Shares in MiPlanet Australia Pty Ltd	-	2
	-	2

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 11 INVESTMENT PROPERTY

	2023 $	2022 $
Non current		
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.

NOTE 12 INTANGIBLE ASSETS

	2023 $	2022 $
Non current		
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

	2023 $	2022 $
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

	2023 $	2022 $
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

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	1,984,613	-	48,173	2,032,785
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	1,933,128	47,896	48,316	2,029,339
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	1,933,128	47,896.00	48,316	2,029,483
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	1,881,643	66,563	45,723	1,994,072
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	1,881,643	66,563	45,723	1,993,929

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.

NOTE 14 RIGHT OF USE ASSET AND LEASE LIABILITY

Amount of right of use asset (office equipment) recognised and the movements during the year:

	2023 $	2022 $
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:

	2023 $	2022 $
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:

	2023 $	2022 $
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

NOTE 15 TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade payables	19,974	53,694
Sundry payables & accruals	179,848	121,195
	199,822	174,889
Payables to other reporting units	-	-
	199,822	174,889
Total trade and other payables are expected to be settled in:		
No more than 12 months	199,822	174,889
More than 12 months	-	-
	199,822	174,889

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

	2023 $	2022 $
Office holders:		
Annual leave	24,986	21,148
Long service leave	8,530	6,692
Separations and redundancies	-	-
Other	-	-
Employee provisions - office holders	33,516	27,840
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	85,227	205,023
Current		
Employee entitlements - provision for annual leave	90,295	101,038
Employee entitlements - provision for long service leave	15,536	125,691
	105,831	226,729
Non Current		
Employee entitlements - provision for annual leave	-	-
Employee entitlements - provision for long service leave	12,912	6,134
	12,912	6,134

NOTE 17 CASH FLOW

NOTE 17A: Cash flow reconciliation

	2023 $	2022 $
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	-	-
(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	188,241	(36,854)

NOTE 17B Cashflow information

	2023 $	2022 $
Cash inflows from reporting unit/ controlled entity	-	-
Cash outflows from reporting unit/ controlled entity	-	-

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.

	2023 $	2022 $
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

	2023 $	2022 $
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

	2023 $	2022 $
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

	2023 $	2022 $
(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

	2023 $	2022 $
Financial statement audit services	8,750	8,750
Other services	-	-
	8,750	8,750

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.

NOTE 23 FINANCIAL INSTRUMENTS

The Company is exposed to various risks in relation to financial instruments. The main types of ris 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.

NOTE 23A Categories of financial instruments

	2023 $	2022 $
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%

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		
Carrying amounts:		
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					
	Current	<30days	30-60 days	61-90days	>91 days	Total
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					
	Current	<30days	30-60 days	61-90days	>91 days	Total
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.

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)

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.

STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2023

In the opinion of the directors of the company;

(a) The financial statements and notes for Master Grocers Australia Limited are in accordance with the *Corporations Act 2001* , including:

I Giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

ii Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 200* 1; and

(b) 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,

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 25th day of October 2023

Director

Director

Elliott Assurance Pty Ltd *
Audit and Compliance Services

Independent Auditor's Report to the Members of Master Grocers Australia Limited for the Year ending 30 June 2023

Audit Opinion

I have audited the financial report of Master Grocers Australia Limited (the company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, notes to the financial statements and the statement by directors.

In my opinion, the accompanying financial report of Master Grocers Australia Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and any other mandatory professional reporting requirements

Basis for Opinion

I 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 our report. I am independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Accounting Standards and the Corporations Act and for such internal control as the company determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

* Liability limited by a scheme approved under Professional Standards Legislation

Independent Auditor's Report to the Members of Master Grocers Australia Limited for the Year ending 30 June 2023

Auditor's Responsibilities 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 our 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.

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.

....

Phillip Elliott *

620 St Kilda Road Melbourne

Dated this 31st day of October 2023

* Liability limited by a scheme approved under Professional Standards Legislation