MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
FINANCIAL RETURN
FOR THE YEAR ENDED 30 JUNE 2022

INDEX

Page	General Purpose Financial Reports
1	Designated Officer's Certificate
2	Subsection 255 (2A) Expenditure Report
3	Operating Report
6	Committee of Management Statement
7	Statement of Profit or Loss and Other Comprehensive Income
8	Statement of Financial Position
9	Statement of Changes in Equity
10	Statement of Cash Flows
11-39	Notes to Financial Statements
40	Officer Declaration Statement
41	Auditors' Independence Declaration
42-44	Independent Auditors Report

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
DESIGNATED OFFICER'S CERTIFICATE
FOR THE YEAR ENDED 30 JUNE 2022

I, Deborah Smith, being the President of Masters Grocers Australia Limited, certify:

* that the documents lodged herewith are copies of the full report for the Master Grocers Australia Limited, *referred to in s268 of the Fair Work (Registered Organisations) Act 2009*; and

* that the full report was provided to members on _____ October 2022
and

* that the full report was presented to a general meeting of members of Master Grocers Australia Limited on 25th November 2022 in accordance with section 266 of the *Fair Work (Registered Organisations)* Act 2009.

Dated this day of 2022

For the Committee of Management: _____

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
SUBSECTION 255(2A) EXPENDITURE REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2022

	2022	2021
Categories Of Expenditure	**$**	**$**
Remuneration and other employment related costs and expenses - employees	1,652,801	1,734,007
Advertising	21,413	13,571
Operating Costs	541,233	528,766
Donations to political parties	-	-
Legal Costs	2,411	-

For the Committee of Management: _____

Title of Office held:

DATED this 19th day of October 2022

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The Committee of Management of Master Grocers Australia Limited presents their report on the results of the Company for the financial year ended 30 June 2022

MEMBERSHIP OF THE COMMITTEE OF MANAGEMENT

The membership of the Committee of Management during the year ended 30th June 2022 is as follows:

Name	Position	Period Held
ANILE, Rosario (Ross)	Director	1 July 2021 to 30 June 2022
DOS SANTOS, Christopher (Chris)	Director	1 July 2021 to 30 June 2022
GOUGH, Graeme James	Director	1 July 2021 to 30 June 2022
GOLDSMITH, Carmel	Director	1 July 2021 to 25 November 2021
HARPER, Donald Jeffery (Jeff)	Director	1 July 2021 to 30 June 2022
HINCHCLIFFE, Grant John	Vice President	1 July 2021 to 30 June 2022
PAREKH Ripple Himanshu	Director	1 July 2021 to 30 June 2022
SLAUGHTER, Terry	Director	25 November 2021 to 30 June 2022
SMITH, Deborah May	President	1 July 2021 to 30 June 2022
WYMER, Lincoln George	Director	1 July 2021 to 30 June 2022

PRINCIPAL ACTIVITIES

Trading as MGA Independent Retailers and Timber Merchants Australia, the Company is a national Industry Employer Association providing independent retail food, liquor, timber and hardware stores with services and support within 5 key functional areas of Legal and HR, Training and Compliance, Industry Representation, Industry Community and to protect the status and best interests of its members. There was no significant change in these activities.

The Company provides regular e-alerts to notify and advise its members of emerging issues and publishes a fortnightly E Checkout bulletin, a monthly webinar on employment law matters and 8 editions of its Independent Retailer magazine each year. In addition, MGA provides a suite of face to face training and online compliance training.
The Company represents members' views - fighting for member sustainability and prosperity at federal, state and local levels, as evidenced by our work on industrial relations reform: casuals, part time flexibility, annual wage reviews, competition law reform, least cost routing, trading hours, packaged liquor, illicit tobacco, waste management and energy costs.
MGA is dedicated to the business well being of its members. This is achieved through the committed and dedicated MGA Staff who deliver MGA's key functions professionally and consistently day in and day out, face to face, on line and via the telephone.

The Company's key objectives for the financial year are summarised as follows:
- ensure ongoing financial sustainability
- focus on engagement with members and corporate partners and environmental sustainability
- launch our new brand
- deliver excellent Legal/IR/HR and membership support and services
- introduce our new CEO to key stakeholders and provide a thorough induction
- build/strengthen relations with the new federal government

In order to meet these objectives, the Company has implemented the following strategies:
- develop and periodically review an operating budget that delivers all desired membership objectives
- encourage opportunities for engagement to grow independent food, liquor, timber and hardware retailer and corporate memberships
- comprehensive induction plan for the new CEO
- continue to develop the Company's team skills and capability
- brand rejuvenation and roll-out
- website revitalisation and implementation of a new CRM

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 seminars attended, E Alerts sent, magazines distributed, training courses provided (face to face and online) and number of representations.

NUMBER OF MEMBERS

As at year end there were 2,295 members, 369 associate members and 22 corporate members.

NUMBER OF EMPLOYEES

As at year end, the number of employees were 8 full time staff and 10 part time staff (equivalent to 2 full time staff).

REVIEW OF OPERATIONS
"Making Life Easier" for Members

The Company's Board of Directors wishes to state that it has again been a privilege to lead a committed team of professionals at MGATMA. The Company remains completely dedicated to the welfare and prosperity of family enterprises and privately-owned businesses in the supermarket, liquor and timber and hardware sectors. We do not represent "Big Business".

During the year the Company's membership increased slightly to 2,664 and remains steady.

We thank outgoing Director Carmel Goldsmith who was a driving force for family and privately owned business members. Carmel stood down from the board in November 2021. Carmel's enthusiasm and deep retail insights will be missed.

We welcome incoming Director Terry Slaughter whose family owns community grocery and supermarket businesses in Queesland. Terry brings several skills and capabilities to the Board, based on his knowledge acquired through many years in the food and grocery sector at a corporate level and also in his own business.

For the Company and all members around Australia, FY2022 has been one of the most challenging years ever experienced. Our members are to be congratulated for the manner in which they took on the challenges presented by the continuing impact of Covid across Australia and also the impact of flooding in many parts of the country.

During the year, the Company was heavily involved in many state and federal forums to support the safe opening of various economies around Australia. At the same time, the Company also addressed many other matters, including industrial relations and employment law matters, food supply and food security, unfair competition matters, Least Cost Routing, Illicit Tobacco, liquor matters, state trading hours, unfair planning and zoning, tobacco regulations and sustainability – waste and energy.

The Company was involved in many discussions with the Federal Government in regard to various business support measures including the Cash Flow Boost grant, Job Keeper, Job Seeker, Job Maker and Job Saver programmes - all of which have been effective in keeping businesses afloat and employees attached to their employers when locked down.

Our team has done a great job in keeping the best interests of our member and industry stakeholder community in the forefront of all our activities during the FY2022 year. Despite having to cope with their own personal Covid – 19 restrictions by working from home and then a staggered approach to returning to work, our team is to be congratulated for their flexibility, agility and hard work in dealing with all day to day matters with which our members required support.

A highlight in the 2021 calendar year was the Company's involvement with Federal Attorney General Christian Porter's IR Reform Working Groups. The Attorney General and the Federal Government recognised the Company as an organisation with a high profile and deep credibility and integrity, in the family and private business sector.

In early 2021, the Company and the ACTU jointly applied to the FWC to insert a schedule in the GRA to enable part-time employees to work additional hours at ordinary rates of pay. This has now become available to members for implementation into their businesses.

Many other matters have been addressed in the various States and Territories as can be seen further on in this report. We are privileged as an organisation to be invited to meetings and forums, representing our members, for consultation on a breadth of issues and matters.

The Board, together with staff, have committed to focussing on the next urgent issue facing our members - reducing members' carbon footprint. Introducing the principle of a Circular Economy to members around Australia is a key focus for our team, behind industrial relations.

Significant savings can be derived by reducing, or eradicating, crippling waste management costs and avoiding landfill by implementing a range of sustainable solutions in members' businesses. The aim is for members to earn carbon credits and actually make money from their waste.

The future is exceptionally bright for the Company, with exciting plans afoot to refresh and reposition the MGATMA branding and to further lift the organisation into an aspirational association that family and private business owners are proud to be a member of.

FY2023 is the year of Member engagement which will drive maintaining, retaining and growing of membership in the Company.

The Board has worked very hard this year to better understand the needs of members and has pledged to continue to deliver value for money to members. Membership fees are very reasonable for the support and services provided to members. The Board resolved to increase membership fees by 3.5% for Financial Year 2023, in line with the increasing costs of doing business.

MGA's heads of departments and staff have worked very hard this last financial year assisting and supporting its grocery, liquor or timber and hardware members. Their passion and commitment to support members is demonstrable. I sincerely thank MGA management and staff for their commitment to "making life easier" for members.

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2022

FINANCIAL AFFAIRS
Overall the Company's financial position remains strong.
Membership numbers and revenue remain steady, in addition to strong continuing Corporate Membership.
The Company's share portfolio is holding steady during this volatile financial climate.

SIGNIFICANT CHANGES TO FINANCIAL AFFAIRS
There were no significant changes to the financial affairs of MGA during the 2022 financial year.

LIKELY DEVELOPMENTS
Investment of MGA funds and resources will continue to be allocated to the development of support services for members.
Modest increases in membership and revenue are forecasted however remuneration and operational costs
will need to be monitored.

SUPERANNUATION TRUSTEES
The following Officers are acting as a trustee or as a director of a company that is a trustee of a Superannuation entity:

Deborah M Smith - The Trustee for A&D Super Fund
Jos de Bruin - The Trustee for J & J Future Wealth Super Fund
Graeme Gough - Gough Family Superannuation Fund
Rosario Anile - Gratin Executive Employees Superannuation Fund

RIGHT OF MEMBERS TO RESIGN
A member has a right to resign membership under Rule 10 of the Constitution and/or Section 174 of the Act.

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

DATED this 19th day of October 2022

Director

Director

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

On the 19th of October 2022, the Committee of Management of Master Grocers Australia Limited passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30th June 2022:

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

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposted by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered organisations) Action 2009 (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;

(e) during the financial year to which the GPFR relates and since the end of that year:

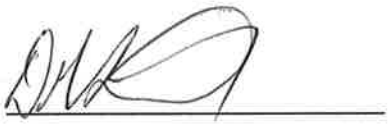
(i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

(ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

(iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

(iv) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

(v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

For the Committee of Management: 

Title of Office held: President

DATED this 19th day of October 2022

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 2022

	NOTE	2022 $	2021 $
Revenue from contracts with customers	3		
Membership subscriptions		1,490,593	1,454,534
Corporate sponsorship		357,453	375,494
Other sales of goods or services		360,090	362,047
Total revenue from contracts with customers		2,208,136	2,192,075
Income for furthering objectives	3		
Grants and donations	3A	-	164,000
Total income from furthering objectives		-	164,000
Other income			
Net gain from sale of assets	3B	-	-
Gain/(Loss) on financial assets at fair value through profit or loss	3C	(216,862)	407,175
Revenue from recovery of wages activity		-	-
Investment income	3D	76,033	62,171
Rental income	3E	51,975	63,640
Other income	3F	9,682	145,215
Total other income		(79,172)	678,201
Total income		2,128,964	3,034,276
Expenses			
Employee expenses	4A	(1,652,801)	(1,734,007)
Affiliation fees	4B	(8,000)	(7,498)
Administration expenses	4C	(330,815)	(361,630)
Audit fees	19	(8,750)	(13,000)
Campaign and project expenses	4D	(106,409)	(73,263)
Depreciation and amortisation	4F	(85,984)	(66,377)
Finance costs	4G	(534)	(745)
Grants or donations	4E	(189)	(600)
Legal costs	4J	(2,411)	-
Writedown and impairment of financial assets	4H	-	(50)
Net losses from disposal of assets	4I	-	-
Other expenses	4K	(21,964)	(19,174)
		(2,217,858)	(2,276,344)
Surplus (deficit) before tax		(88,893)	757,932
Income tax expense	6	-	-
Surplus (deficit) for the year		(88,893)	757,932
Other comprehensive income			
Item that will not be subsequently reclassified to profit or loss			
Gain on revaluation of properties		-	444,354
Total comprehensive income (loss) for the year attributable to members		(88,893)	1,202,286

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 $	2021 $
CURRENT ASSETS			
Cash and cash equivalents	7	1,013,005	1,121,131
Trade and other receivables	8	461,845	133,397
Financial assets	10	2,128,012	2,341,369
Other current assets	9	99,694	77,698
Total current assets		3,702,555	3,673,595
NON CURRENT ASSETS			
Investment property	11	950,000	950,000
Intangible assets	12	37,817	45,281
Property, plant and equipment	13	2,029,340	2,032,785
Right-of-use assets	14	6,516	10,070
Financial assets	10	2	-
Total non-current assets		3,023,674	3,038,136
TOTAL ASSETS		6,726,229	6,711,731
CURRENT LIABILITIES			
Trade and other payables	15	174,889	241,397
Lease liability	14	3,962	3,738
Employee provisions	16	226,729	250,482
Contract liabilities	8	383,434	187,765
Total current liabilities		789,015	683,382
NON CURRENT LIABILITIES			
Lease liability	14	3,483	7,445
Employee provisions	16	6,134	4,416
Total non current liabilities		9,617	11,861
TOTAL LIABILITIES		798,632	695,243
NET ASSETS		5,927,596	6,016,488
Represented by:			
MEMBERS' EQUITY			
Revaluation Reserves		1,603,292	1,603,292
Retained earnings		4,324,304	4,413,196
TOTAL MEMBERS' EQUITY		5,927,596	6,016,488

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation Reserves $	Retained Earnings $	Total $
Balance at 1st July 2020	1,158,938	3,655,264	4,814,202
Adjustment for adoption of new accounting standards	-	-	-
Surplus (deficit) for the year	-	757,932	757,932
Other comprehensive income			
Gain on revaluation of properties	444,354	-	444,354
	444,354	757,932	1,202,286
Balance at 30th June 2021	1,603,292	4,413,196	6,016,488

	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

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 $	2021 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operations (GST inclusive)		2,303,053	2,415,749
Government grants received		-	247,000
Dividend & trust income received		60,433	57,127
Interest received		7,574	5,044
Rents received (GST inclusive)		57,173	70,004
Sundry receipts		-	25,965
Short term lease payments		-	-
Payments to suppliers and employees		(2,465,087)	(2,385,548)
Net cash provided by (used in) operating activities	17A	(36,854)	435,341
CASH FLOW FROM INVESTMENT ACTIVITIES			
Proceeds from disposal of investments		362,027	139,396
Proceeds from sale of plant & equipment		-	-
Purchase of plant and equipment		(64,519)	(13,077)
Purchase of intangibles		(7,000)	(22,895)
Purchase of investments		(357,505)	(164,022)
Investment and loans to joint venture		(2)	(18,523)
Net cash provided by (used in) investment activities		(66,999)	(79,121)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liability		(4,272)	(3,916)
Net cash provided by (used in) financing activities		(4,272)	(3,916)
NET INCREASE / (DECREASE) IN CASH HELD		(108,126)	352,304
CASH AS AT START OF FINANCIAL YEAR		1,121,131	768,827
CASH AS AT END OF FINANCIAL YEAR	7	1,013,005	1,121,131

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 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 the following amendments to accounting standards and other changes in accounting policy, which have been adopted for the first time this financial year:

· AASB 2021-3 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*

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

AASB 2021-3 Amendments to AASs – Covid-19-Related Rent Concessions beyond 30 June 2021

Theis amendment provides relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16, if the change were not a lease modification.

The amendment was intendedto apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the period of application of the preactical expedient was extended to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

The amendments had no impact on the financial statements of MGA.

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.

The amendments are not expected to have any impact on the financial statements of MGA.

1.5 Investment in associates and joint arrangements

An associate is an entity over which MGA 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, MGA 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

MGA 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

MGA 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 MGA has a contract with a customer, MGA recognises revenue when or as it transfers control of goods or services to the customer. MGA 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 MGA.

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

For member subscriptions paid annually in advance, MGA 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 MGA at their standalone selling price, MGA 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 MGA will comply with the conditions attaching to them and that the grant will be received.

Government grants received by MGA to enable it to further its objectives are recognised as income when the consideration is received or eligibility requirements are met and MGA 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 MGA 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

MGA 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

MGA 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

MGA 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 MGA 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, MGA 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, MGA 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

MGA'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 MGA 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 right to consideration in exchange of goods or services that has transferred to the customer when that right is conditioned on 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 MGA's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, MGA 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.

MGA'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 MGA commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in 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

- MGA 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) MGA has transferred substantially all the risks and rewards of the asset, or
b) MGA has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When MGA 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, MGA 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,MGA applies a simplified approach in calculating expected credit losses (**ECLs**) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, MGA does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. MGA 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, MGA 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 MGA 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).

MGA considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, MGA may also consider a financial asset to be in default when internal or external information indicates that MGA 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.

MGA'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:

	2022	2021
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:

	2022	2021
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

MGA 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

MGA 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

MGA 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.

MGA 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, MGA 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

MGA 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 2022 and/or prior to the signing of the financial statements that would affect the ongoing structure and financial activities of the Company.

	2022 $	2021 $

NOTE 3 REVENUE AND INCOME

Disaggregation of revenue from contracts with customers
A disaggregation of the revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer.

Type of customer		
Members	1,659,294	1,607,386
Government	-	-
Other parties	548,842	584,689
Total revenue from contracts with customers	2,208,136	2,192,075

Disaggregation of income for furthering activities
A disaggregation of the reporting unit's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

Income funding sources		
Members	-	-
Government	-	164,000
Other parties	-	-
Total revenue for furthering activities	-	164,000

NOTE 3A Grants and /or donations

Grants	-	164,000
Donations	-	-
Total grants and donations	-	164,000

NOTE 3B Net gains from disposal of assets

Plant and equipment	-	-
Other	-	-
Total net gains from disposal of assets	-	-

NOTE 3C Gain (loss) on financial assets at fair value through profit or loss

Managed investment portfolio	(216,862)	407,175

NOTE 3D Investment income

Interest	7,574	5,044
Trust distributions	4,351	23,667
Dividends	64,108	33,460
Total investment income	76,033	62,171

NOTE 3E Rental income

Properties	51,975	63,640
Total rental income	51,975	63,640

NOTE 3F Other income

Payroll tax waiver refund	-	17,500
Fair value gain on investment property	-	120,000
Others	9,682	7,715
Total other income	9,682	145,215

NOTE 4 EXPENSES

NOTE 4A Employee expenses

Holders of Office:		
- Wages and salaries	93,840	95,376
- Superannuation	9,384	8,932
- Separation and redundancies	-	-
- Transfers to provisions for annual leave	5,202	3,908
- Transfers to provisions for long service leave	488	(273)
- Other employee expenses	-	-
	108,914	107,943
Employees other than Holders of Office:		
- Wages and salaries	1,369,614	1,386,409
- Superannuation	116,220	116,592
- Separation and redundancies	-	-
- Transfers to provisions for annual leave	6,924	1,526
- Transfers to provisions for long service leave	(34,649)	36,506
- Other employee expenses	85,778	85,032
	1,543,887	1,626,065
Total employee expenses	1,652,801	1,734,007

	2022 $	2021 $
NOTE 4B Affiliation fees		
Political parties	-	-
Council of Small Business Association	8,000	7,498
	8,000	7,498
NOTE 4C Administration expenses		
Consideration to employers for payroll deductions	-	-
Fees - Meeting and conference	12,000	12,000
Meeting and conference expenses	199	95
Promotion expenses	21,413	13,571
Accounting fees	6,495	7,885
Allowance for expected credit loss	32,998	37,132
Contractors/consultants	5,243	5,750
Compulsory levies	-	-
Brand Management	15,897	123,497
Human resource costs	51,229	18,480
Information technology	46,368	28,317
Insurance	8,279	10,106
Occupancy	45,899	43,573
Office services and supplies	45,194	45,701
Travel and accomodation	36,112	14,159
Venue hire and catering	3,489	1,364
	330,815	361,630
Operating lease rentals:		
Minimum lease payments	-	-
	330,815	361,630
NOTE 4D Campaign and project expenses		
Magazine costs	60,214	41,550
Training costs	35,231	20,706
Legal and HR expenses recharged	-	-
Timber - Wood advisory	4,629	5,250
Campaigns/Penalty Rates & IR Reform	-	-
Postage / email campaigns	6,335	5,757
	106,409	73,263
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	189	600
Total paid that exceeded $1,000	-	-
	189	600
NOTE 4F Depreciation and amortisation		
Depreciation		
Right of use assets	3,554	3,553
Property,plant & equipment	67,965	51,474
	71,519	55,027
Amortisation		
Intangible assets	14,465	11,350
Total depreciation and amortisation	85,984	66,377
NOTE 4G Finance costs		
Unwinding of discount	534	745
NOTE 4H Writedown and impairment of assets		
Property, plant and equipment	-	-
Intangibles	-	-
Investment in joint venture	-	50
	-	50
NOTE 4I Net losses from disposal of assets		
Property, plant and equipment	-	-
Intangibles	-	-
	-	-
NOTE 4J Legal costs		
Litigation	-	-
Other legal matters	2,411	-
	2,411	-

	2022	2021
	$	$
NOTE 4K Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Portfolio management fee	16,326	19,174
Rental property costs	5,638	-
	21,964	19,174

NOTE 5 DIVIDENDS POLICY

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

NOTE 6 INCOME TAX

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

NOTE 7 CASH & CASH EQUIVALENTS

Current		
Cash at bank	1,012,705	1,120,831
Cash on hand	300	300
Other	-	-
	1,013,005	1,121,131

NOTE 8 TRADE AND OTHER RECEIVABLES

Current		
Trade receivables	441,111	157,011
Less: allowance for expected credit loss	(7,343)	(27,751)
	433,768	129,260
Other receivables:		
Receivables from other reporting units	-	-
Loans to related entity	48,237	23,473
Others	28,077	4,137
	76,314	27,610
Less: allowance for expected credit loss	(48,237)	(23,473)
	28,077	4,137
	461,845	133,397

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

No collateral is held over trade and other receivables.

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

Contract receivables		
Trade receivables - current	433,768	129,260
Trade receivables - non-current	-	-
	433,768	129,260
Contract liabilities		
Deferred revenue - current	383,434	187,765
Deferred revenue - non-current	-	-
	383,434	187,765

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 of the financial year ended 30 June 2023. This did not occur in the prior year.

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 of the financial year ended 30 June 2023 and therefore recognised as deferred revenue. This did not occur in the prior year.

Revenue recognised in the year that was included in the contract liability balance at the beginning of the year was $187,765. Contract liability is released to the statement of comprehensive income over time as the performance obligation is met.

Unsatisfied performance obligations

MGA 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 .

	2022 $	2021 $
NOTE 9 OTHER CURRENT ASSETS		
Current		
Accrued income	75,455	56,104
Prepayments	24,239	21,594
	99,694	77,698
NOTE 10 FINANCIAL ASSETS		
Current		
Financial assets at fair value through profit or loss (including designated)		
Managed investment portfolio	2,128,012	2,341,369
	2,128,012	2,341,369

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

Non Current		
Shares in MiPlanet Australia Pty Ltd	2	-
Shares in Australian Circular Economy Solutions Pty Ltd (ACES)	-	50
Impairment loss on investment in joint venture (ACES)	-	(50)
	2	-

During the year MGA withdrew from the Australian Circular Economy Solutions Pty Ltd (ACES) joint venture due to operational issues.

During the year MGA also became a joint equal shareholder in an incorporated joint venture known as MiPlanet Australia Pty Ltd ("MiPlanet"), the remaining 50% is owned by Imfree Australia Pty Ltd (ImFree). MiPlanet Australia Pty Ltd did not trade during the year and there were no transactions between MGA and MiPLanet during the year or subsequent. On 10th October, MGA received a notice from ImFree outlining its intention to withdraw from the joint venture. There will be no financial impact to MGA from the cessation of the joint venture.

	2022	2021
	$	$
NOTE 11 INVESTMENT PROPERTY		
Non current		
As at 1st July	950,000	830,000
Additions	-	-
Net gain from fair value adjustment	-	120,000
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 completed 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 $51,139 (2021: $50,260).

Direct expenses incurred in relation to the investment property that generated rental income during the year were $5,638 (2021: $nil). 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. MGA 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.

		2022	2021
		$	$
NOTE 12	**INTANGIBLE ASSETS**		
	Non current		
	Software assets	102,535	95,535
	Less: accumulated amortisation and impairment	(64,719)	(50,254)
	Net book value 30 June	37,817	45,281
	Reconciliation of the opening and closing balances		
	As at 1st July		
	Gross book value	95,535	72,641
	Accumulated depreciation and impairment	(50,254)	(38,904)
	Net book value 1 July	45,282	33,737
	Additions:		
	By purchase	7,000	22,895
	Impairment	-	-
	Amortisation	(14,465)	(11,350)
	Disposals	-	-
	Net book value 30 June	37,817	45,281
	Net book value as at 30 June represented by:		
	Gross book value	102,535	95,535
	Accumulated depreciation and impairment	(64,719)	(50,254)
	Net book value 30 June	37,817	45,281
NOTE 13	**PROPERTY, PLANT AND EQUIPMENT**		
	Non current		
	Property - Land and building		
	at fair value	1,990,000	1,990,000
	accumulated depreciation	(56,873)	(5,388)
		1,933,127	1,984,612
	Property improvements		
	at cost	47,896	-
	accumulated depreciation	-	-
		47,896	-
	Plant & equipment - at cost		
	at cost	167,788	151,165
	accumulated depreciation	(119,472)	(102,992)
		48,316	48,173
	Net book value 30 June	2,029,340	2,032,785

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 2020				
Gross book value	1,700,000	16,630	138,088	1,854,718
Accumulated depreciation and impairment	(136,233)	(1,152)	(90,504)	(227,890)
Net book value 30 June 2020	1,563,767	15,478	47,584	1,626,828
Year ended 30 June 2021				
Additions:				
By purchase	-	-	13,077	13,077
Revaluations	444,354	-	-	444,354
Transfers in (out)	15,478	(15,478)	-	-
Depreciation expense	(38,986)	-	(12,488)	(51,474)
Disposals	-	-	-	-
Net book value 30 June 2021	1,984,613		48,173	2,032,785
Net book value as at 30 June 2021 represented by:				
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 2021	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	2,205,684
Accumulated depreciation and impairment	(56,872)	-	(119,472)	(176,344)
Net book value 30 June 2022	1,933,128	47,896	48,316	2,029,340

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.

	2022 $	2021 $

NOTE 14 RIGHT OF USE ASSET AND LEASE LIABILITY

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

As at 1 July	10,070	13,623
Additions	-	-
Depreciation	(3,554)	(3,553)
Impairment	-	-
Disposal	-	-
As at 30 June	6,516	10,070

Amount of lease liability recognised and the movements during the year:

As at 1 July	11,184	14,354
Additions	-	-
Accretion of interest	534	746
Payments	(4,272)	(3,916)
As at 30 June	7,445	11,184
Lease liability - current	3,962	3,739
Lease liability - non-current	3,483	7,445
	7,445	11,184

The maturity analysis of lease liability is as disclosed in Note 23E

Amounts recognised in Statement of Comprehensive Income:

Depreciation expense of right of use asset	3,554	3,553
Interest expense on lease liability	534	746
Short-term and low value lease recognised on a straight line basis	-	-
	4,088	4,299

	2022 $	2021 $
NOTE 15 TRADE AND OTHER PAYABLES		
Trade payables	53,694	31,707
Sundry payables & accruals	121,195	209,690
	174,889	241,397
Payables to other reporting units	-	-
	174,889	241,397
Total trade and other payables are expected to be settled in:		
No more than 12 months	174,889	241,397
More than 12 months	-	-
	174,889	241,397

The average credit period on trade and other payables is 30 days. No interest is payable on outstanding payables during this period.

NOTE 16 PROVISIONS		
Employee provisions		
Office holders:		
Annual leave	21,148	15,947
Long service leave	6,692	4,451
Separations and redundancies	-	-
Other	-	-
Employee provisions - office holders	27,840	20,398
Employees other than office holders		
Annual leave	79,890	72,965
Long service leave	125,133	161,535
Separations and redundancies	-	-
Other	-	-
Employee provisions - other than office holders	205,023	234,499
Current		
Employee entitlements - provision for annual leave	101,038	88,912
Employee entitlements - provision for long service leave	125,691	161,570
	226,729	250,482
Non Current		
Employee entitlements - provision for annual leave	-	-
Employee entitlements - provision for long service leave	6,134	4,416
	6,134	4,416

	2022 $	2021 $
NOTE 17 CASH FLOW		
NOTE 17A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	1,013,005	1,121,131
Balance Sheet	1,013,005	1,121,131
Difference	-	-
(a) Reconciliation of operating profit after income tax to net cash provided by (used in) operating activities:		
Profit (loss) for the year	(88,893)	757,932
Non-cash flows in operating profit:-		
(Profit) Loss on disposal of plant & equipment	-	-
Write-down or impairment of assets	-	50
(Gain) on revaluation of investment property	-	(120,000)
(Gain) Loss on financial assets at fair value through profit or loss	216,862	(407,175)
Non cash income	(8,026)	-
Lease interest expense	534	745
Depreciation and amortisation	85,984	66,377
Allowance for expected credit loss	-	36,142
Change in assets and liabilities:		
(Increase) / decrease		
- Trade receivables	(328,448)	132,825
- Sundry receivables and prepayments	(21,995)	(37,252)
(Decrease) / increase		
- Trade, sundry payables & accruals	(66,508)	(32,703)
- Contract liabilities	195,670	(3,269)
- Employee provisions	(22,034)	41,667
Net cash provided by operating activities	(36,854)	435,340
NOTE 17B Cashflow information		
Cash inflows from reporting unit/ controlled entity	-	-
Cash outflows from reporting unit/ controlled entity	-	-

	2022	2021
	$	$

NOTE 18 RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly is considered key management personnel.

Short term employee benefits	510,962	506,059
Post employment benefits	32,948	30,638
Other long term employee benefits	8,218	22,127
Termination benefits	-	-
Share based payments	-	-
Total	552,128	558,824

(b) Other transactions with key management personnel and their close family members

Loans to / from key management personnel	-	-
Other transactions with key management personnel	-	-
	-	-

(c) Other related party transactions

(i) Travel cost incurred, paid or reimbursed to officeholders

Deborah May Smith	7,994	2,701
Christopher Dos Santos	553	764
Ripple Himanshu Parekh	2,152	2,053
Grant John Hinchcliffe	5,190	1,280
Graeme James Gough	2,089	643
Carmel Goldsmith	-	613
Donald Jeffery Harper	-	362
Rosario Anile	1,817	1,339
Lincoln George Wymer	1,087	259
Terry Slaughter	1,981	-
	22,863	10,014

(ii) Committee meeting attendance fees paid directly or indirectly to officeholders who are not employees	12,000	12,000

(iii) During the year MGA withdrew from the Australian Circular Economy Solutions Pty Ltd (ACES) joint venture due to operational issues.There were no transactions between MGA and the joint venture during the year.

(iv) During the year MGA also became a joint equal shareholder in an incorporated joint venture known as MiPlanet Australia Pty Ltd ("MiPlanet"), the remaining 50% is owned by Imfree Australia Pty Ltd (ImFree). MiPlanet Australia Pty Ltd did not trade during the year and there were no transactions between MGA and MiPLanet during the year or subsequent. On 10th October, MGA received a notice from ImFree outlining its intention to withdraw from the joint venture. There will be no financial impact to MGA from the cessation of the joint venture.

NOTE 19 REMUNERATION OF AUDITORS

Financial statement audit services	8,750	13,000
Other services	-	-
	8,750	13,000

NOTE 20 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

(a) Contingencies

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

	2022 $	2021 $
(b) Operating lease commitments - as lessor		
Commitments for minimum lease payments in relation to non-cancellable operating lease is as follows:		
Within one year	-	50,260
After one year but not more than five years	-	-
More than five years	-	-
	-	50,260

(c) Contractual commitments

MGA had no contractual commitments as at 30 June 2022 (2021 - 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 one year's subscription towards meeting any outstanding obligations of the Company. At 30 June 2022, there were 2,295 members, 369 associate members and 22 corporate 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

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

Risk management is carried out by management under policies approved by 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.

	2022 $	2021 $
NOTE 23A Categories of financial instruments		
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	1,013,005	1,121,131
Trade and other receivables	461,845	133,397
Financial assets at fair value through profit or loss		
Managed investment portfolio	2,128,012	2,341,369
Carrying amount of financial assets	3,602,862	3,595,896
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables and other payables	174,889	241,397
Carrying amount of financial liabilities	174,889	241,397

NOTE 23B Market risk analysis

MGA 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 MGA to interest rate risks are cash and cash equivalents.

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

	2022 $	2021 $	2022 %	2021 %
Financial assets	80,400	116,262	3.90%	2.95%
Cash and cash equivalents	1,013,005	1,121,131	0.35%	0.12%

NOTE 23B Market risk analysis (Cont'd)

Other price risk sensitivity

MGA 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% (2021: + / -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-22	212,801	(212,801)
30-Jun-21	234,137	(234,137)

	Equity	
	+10%	-10%
30-Jun-22	212,801	(212,801)
30-Jun-21	234,137	(234,137)

NOTE 23C Foreign Exchange risk analysis

MGA 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.

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

	2022	2021
Classes of financial assets		
Carrying amounts:		
Cash and cash equivalents	1,013,005	1,121,131
Trade and other receivables	461,845	133,397
Total	1,474,850	1,254,528

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-22	Trade receivables					
	Current	<30days	30-60 days	61-90days	>91 days	Total
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	40.1%	
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	10,951	433,768

30-Jun-21	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	93,175	20,955	-	-	42,881	157,011
Expected credit loss	802	196	-	-	26,753	27,751
Trade receivable net of allowance	92,373	20,759	-	-	16,128	129,260

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. MGA'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 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	-	-	-

Contractual maturities for financial liabilities 2021

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
	$	$	$	$
Trade and other payables	241,397	-	-	-
Total	241,397	-	-	-

Lease liability maturity for 2022

	On demand	< 1 year	1 to 5 years	Later than 5 years
	$	$	$	$
Lease liability	-	3,962	3,483	-
Total	-	3,962	3,483	-

Lease liability maturity for 2021

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

	1-Jul-20	Cash flows	Non-cash changes			30-Jun-21
			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

	2022 $	2021 $
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	(216,862)	407,175
- Dividend revenue	64,108	33,460
- Interest revenue	3,835	3,935
- Trust distributions	4,351	23,667
- Exchange gains/(loss)	-	-
Total held for trading and designated as fair value through profit and loss	(144,568)	468,237
At Amortisation		
- Interest revenue	3,739	1,109
Net income/(expense) from financial assets	(140,828)	469,346

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 2022 and 30 June 2021:

	Level 1 $	Level 2 $	Level 3 $	Total $
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
30-Jun-21				
Assets				
Fair value through profit or loss	2,341,369	-	-	2,341,369
Net fair value	2,341,369	-	-	2,341,369

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-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
30-Jun-21				
Assets				
Property, plant & equipment - Land & building	-	1,984,612	-	1,984,612
Investment property	-	950,000	-	950,000
Net fair value	-	2,934,612	-	2,934,612

Fair value of MGA'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.

NOTE 25 INFORMATION TO BE PROVIDED TO MEMBERS

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009,* the attention of members of Master Grocers Australia Limited is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which reads as follows:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

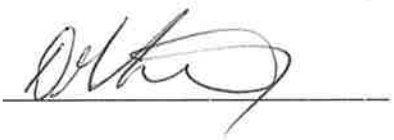
(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

MASTER GROCERS AUSTRALIA LIMITED
A.C.N. 004 063 263
OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

I, Deborah Smith, being the President of Master Grocers Australia Limited, declare that the following activities did not occur during the year ended 30 June 2022.

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

For the Committee of Management: 

Title of Office held: President

DATED this 19th day of October 2022

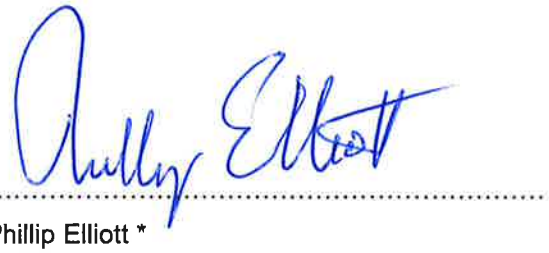
Auditors Independence Declaration

To the Directors of Master Grocers Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Master Grocers Australia Limited for the year ended 30 June 2022 there have been:

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

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



Phillip Elliott *

620 St Kilda Road
Melbourne

Dated this 19th day of October 2022

* Liability limited by a scheme approved under Professional Standards Legislation

Elliott Assurance Pty Ltd *
Audit and Compliance Services

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

Audit Opinion

I have audited the financial report of the Master Grocers Australia Limited (the company), which comprises the Statement of Financial Position as at 30 June 2022, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, Notes to and Forming Part of the Financial Statements, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Master Grocers Australia Limited as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirements of the Fair Work Commission Reporting Guidelines and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the "Act").

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

Basis for Opinion

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

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

Information other than the Financial Report and Auditors Report

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

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

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

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

Responsibilities of the Committee of Management for the Financial Report

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

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

Auditors Responsibility for the Audit of the Financial Report

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

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

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

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

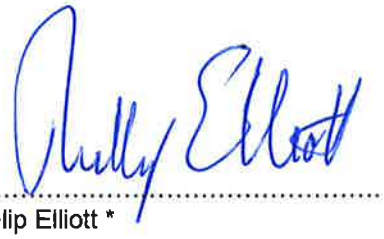
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE MASTER GROCERS AUSTRALIA LIMITED

Independence

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

Auditor Status

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



.....

Phillip Elliott *

620 St Kilda Road Melbourne

Dated this 19th day of October 2022

* Liability limited by a scheme approved under Professional Standards Legislation