

# ANNUAL GENERAL MEETING

Funded by  
Dairy Australia  
and your  
dairy service  
levy



Wannon Rooms Warrnambool

Friday 16 September, 2011

12.30pm

*“Advancing the dairy industry in Western Victoria”*



## WestVic Dairy Inc Annual General Meeting 2011

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*"Advancing the dairy industry in Western Victoria"*



## **WestVic Dairy Inc Annual General Meeting 2011**

### **AGENDA**

- 12.30pm      Welcome
- Apologies
- Minutes Previous Meeting
- Matters Arising from Minutes
- Chairman's Report
- Treasurer's Report
- Executive Officer's Report
- Election of Officers
- Meeting Closure

***"Advancing the dairy industry in Western Victoria"***



## Annual General Meeting Minutes 2010

**Location:** Wannon Rooms, Koroit St, Warrnambool  
**Date:** 17 September 2010  
**Time:** 1.00pm  
**Present:** As per workshop attendance list

**Welcome:** Roma Britnell, WestVic Dairy Chairman welcomed all to the meeting.

**Apologies:** Ian Halliday, Bernie Baxter, Alex Goudy, Jeff Lawes, David Shute, Pauline Brightling, Kylie Abraham, Joe Giblin, John Hinkley, Barb Collins, John Pye and Delwyn Seebeck.

Minutes of the previous meeting were tabled and moved by Kay Antony, seconded by Peter Musson and carried.

### Business arising from the minutes

There was no business arising from the previous minutes.

### Chairman's Report

Roma Britnell presented her report, seconded by Garry Smith and carried.  
 There were no questions.

### Financial Report

Ron Page presented his report and the audited financials, seconded by John Dalton and carried.  
 There were no questions.

### Appointment of Board members

Chairman, Roma Britnell reported four vacant board positions were advertised (due to retirements of Roma Britnell, Ron Page and Kay Antony and the addition of an eighth board member). The board is happy to announce the new members: Lisa Dwyer, David Byrd and David Parkinson (farmers) and Tom Walsh (non farmer).

### Election of Officers

Lisa Dwyer, David Byrd, David Parkinson and Tom Walsh accepted their new positions to the WVD board.

Nominations for Chairman: Kay Antony nominated John Dalton (accepted), seconded Peter Musson and carried.

Nominations for Vice Chairman: John Dalton nominated Matt Reid (accepted), seconded Ron Page and carried.

Nominations for Treasurer: Ron Page nominated Garry Smith (accepted), seconded Peter Musson and carried.

### Purpose and Rules: Proposed changes

Roma proposed the change to the WVD Purpose and Rule 19.2 be amended as read, seconded Matt Reid and carried.

CURRENT	PROPOSED
PAGE 12: Point 19.2 The Board and/or the Executive has the power to appoint Committees as required and set the terms of reference and reporting structures to be followed by those Committees from time to time.	PAGE 12: Point 19.2 The Board and/or Executive has the power to appoint and resource Committees as required, appoint external members to them and set their terms of reference and reporting structures.

### Executive Officer Report

Mike Weise presented his report, seconded Roma Britnell and carried.  
 There were no questions.

Meeting closed 1.30pm

## WestVic Dairy Chairman's Report 2010-11



2010-11 has been one of extremes for our farmers. On one hand we have experienced floods locally, are still recovering from high debt loading and a very strong dollar. On the other, we have had a good summer/autumn in 2011, strong demand for our products and improving milk prices.

At last years AGM, we had a big change over of board members. Just like buying a farm, it takes a little while to get to know exactly what you have. However, it didn't take long to gather your priorities and address these through WestVic Dairy's Annual Operating Plan (AOP) for 2011-12

We collected these priorities through kitchen forums, one on one conversation and workshops. Feed, fertility, people and milk prices were listed as your top four concerns. We have framed the AOP for the coming 12 months to address these areas, as well as other extension work. Feed will take the top mantle this year, with a wide variety of information available throughout the next year. We will continue the work in the complex area of fertility and the development of our people which is critical to the success of our industry.

Milk price is an interesting one. We cannot directly influence what the factories pay, but Dairy Australia does an enormous amount of work maintaining dairy reputation, and growing and developing new markets to drive demand for our product. This in turn improves the returns you receive.

We will continue to work in the areas of In Charge Financial Literacy and business management programs, Focus Farms, Young Dairy Development Program (YDDP), Cows Create Careers and other projects.

I would like to thank Peter Musson who is retiring after two terms on the board. His input has been appreciated by all those he has worked with. I welcome Graeme Martin to the board as a famer representative and welcome back Tom Walsh, who has been re-elected as an independent member.

Special thanks to our team at the office. Lead by Mike, Jozzy, Lisa, Amanda and Matt, they continue to do a fantastic job, not only for WestVic Dairy but the wider industry as well. Thank you to our project managers as well; these are the people we rely on to deliver the programs across the region.

With a kind spring, we can all look forward to our dairy industry powering forward, promoting optimism for the next 12 months.

A handwritten signature in black ink that reads 'John Dalton'.

John Dalton

## WestVic Dairy Treasurer's Report 2010-11



Last year was a successful one for WestVic Dairy from a project and financial perspective. Income increased by \$135,000 in 2010-11, meaning last year we pulled in nearly \$700,000 of external funds into dairy for projects, which in turn delivered more benefits for the region's dairy farmers. At the end of the year WestVic Dairy had a retained profit of \$108,000, a secure buffer to take into 2011-12.

The two biggest expense differences between these results and 2009-10 are the project supplies and the costs of staff. The project supplies have increased by \$130,000 which includes the \$1000 soil testing grants we secured for 134 farmers in the region and costs involved with supervising the 17 new trainees we brought into the dairy industry through the In2Dairy project. Meanwhile the costs of staff (payroll and contractors) crept up by \$25,000 in line with extra projects undertaken, but by aiming to cut costs and further build organisational capacity, contractor costs went down by \$50,000 and employed staff costs increased by \$75,000.

The balance sheet has reduced by 25% over the year due to some income arriving in the previous year for work undertaken in 2010-11 and the board using reserves to fund more small grants than were originally budgeted.

MBO accountants have completed an audit of our business and a letter from them indicating a satisfactory audit has been presented.

As Treasurer I am pleased to present this 2010-11 financial report to the board as tabled and move that it be accepted by the AGM.

A handwritten signature in black ink that reads 'Garry Smith'.

Garry Smith

## WestVic Dairy Executive Officer's Report 2010-11



WestVic Dairy exists to advance the dairy industry in Western Victoria and our core work is the collection of dairy farmers' priorities and investing farmer service levy against them.

The board add value to that core work by encouraging others e.g. Catchment Management Authorities, government, etc to use their funds, and staff, to advance our industry; and where there is no provider to deliver projects, putting in a WestVic Dairy team, at cost, to make projects happen.

The performance of WestVic Dairy against farmer priorities is reported by the Chairman, and the Treasurer reports on the financial performance of the business. This report, by the Executive Officer, describes how well the investment, the influencing and the project management jobs have been carried out. To shorten the report this year the influencing and project management jobs are described in a separate achievement report available in your AGM pack.

The 2011-12 Annual Operating Plan (AOP) drafted by your board in February 2011 (available on request) was built using the priorities you gave us during 15 kitchen forums held in 2010-11 between Coleraine and Colac.

The operating plan is signed off by Dairy Australia and contracts exist to record each party's responsibilities. Last year all elements of the contract with Dairy Australia, including auditing, were successfully delivered.

The project management business of WestVic Dairy is described in the achievement summary but of note to levy payers is the increase in projects we now manage for the industry. Last year 2009-10 we reported on 12 major projects and twelve months later, we are reporting on 15. Thank you to our project team; Robyn, Barb, the two Karen's, Liza, Peter, Rick, Terry, Jeff, Cath, Marni, Kevin, Jodie, Mark, Lee, Jenny and Bevan.

The performance of WestVic Dairy does not happen in isolation; the support and assistance of our many partners is critical to the development results we are able to be part of. Thank you to the dairy farmers and service providers in our region: Dairy Australia, United Dairyfarmers Victoria, the Regional Extension and Education Committee and sub committees, the region's milk processors, Departments of Primary Industry, Sustainability and Environment, Business and Innovation, Planning and Community Development, Regional Development Victoria and Australia, Gardiner Foundation, National Centre for Dairy Education Australia, Corangamite and Glenelg Hopkins Catchment Management Authorities, Deakin and Melbourne Universities, South West TAFE, the local shires and councils, and the many agencies and charities that deliver development services to Western Victoria. A full list is available at the back of the achievement report.

Finally thank you to our board and our administrative team; Lisa, Jocelyn, Amanda and Matt; and a special thanks to the many staff in Dairy Australia who support the work we do for levy payers in this magnificent region of Western Victoria.

A handwritten signature in black ink, appearing to read 'M. Weise'.

Mike Weise



## WestVic Dairy Achievement Report 2010-11

### Introduction:

Advancing the dairy industry in Western Victoria has been the catch-cry of WestVic Dairy since it started in 1998. Thirteen years on, the dairy development agency not only commissions research called for by farmers, but provides information to other regional development organisations to support the development of our great industry and use their resources to advance dairy.

This 12 month report of achievements has been produced to supplement the AGM reports that describe our work in 2010-11. The work we have been involved with has used dairy farmers' levy to:

- a) Double the level of cash we have to invest in dairy projects; and
- b) Attract government (local, state and federal) to further support farmers and their priorities.

Those priorities, in the past, have been collected at 3-4 forums across the region every year. However this year we conducted 15 kitchen forums on farms across the region. The more feedback we get on farmer priorities the better our investment decisions will be - our aim is to continue to advance the industry in the region by increasing the 3:1 return we achieve on every \$ invested in the levy by dairy farmers in Western Victoria.

The dairy industry is a third of the region's economy and research and development is key to us keeping abreast of the opportunities and challenges that confront us. The 15 projects that the levy and other funds have invested in address the current issues of concern to the region's farmers.

### What does WestVic Dairy do?

WestVic Dairy exists to advance the dairy industry in Western Victoria and the core of its business is the investment of dairy farmers' service levy against their priorities.

WestVic Dairy collects farmers' priorities through forums, meetings and 1:1 contacts. The WestVic Dairy board then allocates the levy against the highest priorities and through Dairy Australia draws up contracts with providers to deliver projects that address those priorities.

The board expands on that core work and carries out two other important jobs to advance the industry more quickly:

- a) It spends resources to influence others to use their funds and staff to advance our industry; and
- b) Where there is no provider that can deliver projects, employs the WestVic Dairy administration team, at cost, to make projects happen.

### Who makes up WestVic Dairy?

WestVic Dairy is governed by a board, made up of six farmers and two non-farmers who set and monitor annual plans that an executive team carries out. The board members are selected by a panel independent of the board and sit for three years before they must resign or re-nominate. The current board can be contacted by phoning the WestVic Dairy offices (03 5592 2477) or visiting the website [www.westvicdairy.com.au](http://www.westvicdairy.com.au)

The executive team changes as projects commence and complete. At the time of writing 18 staff and contractors are involved in delivering 15 projects to advance the dairy industry in Western Victoria. The team is led by an Executive Officer and a core team of four staff manage the administrative functions of the million dollar plus business. The staff can be contacted by phoning the WestVic Dairy offices (03 5592 2477) or visiting the website [www.westvicdairy.com.au](http://www.westvicdairy.com.au)





## WestVic Dairy Achievement Report 2010-11

### Project summary:

Name	What was done	Why it was done	How it was done	Who did it	Where
Focus Farms	12-15 farmers met in groups to: a) Review progress on a Focus Farm; and b) Improve business performance.	To improve farm profitability and natural resource management; and to bring Catchment Management Authority grants into the dairy industry.	A facilitator brought together groups which met 10 times in three years. Farmers self-assessed their natural resource management practices. 230 farmers have been involved with the project to date.	Approximately 80 farmers in 2010-11 were in their third year.	Heathmere, Nullawarre, Macarthur, Bungador, Barwon Downs, Grassmere and Naringal.
Soil Acidity	134 farmers were funded for soil testing and received advice on better ways to manage nutrients.	To improve farm profitability and nutrient management.  To create links between farmers and independent nutrient specialists.	Farmers from the Focus Farm networks were targeted to take part and invited to train (with a \$1000 grant provided).	The project was facilitated by WVD and funded through Federal Government – Glenelg Hopkins Catchment Management Authority (GHCMA).	The GHCMA region in Western Victoria.
30:30	Trials were conducted to find ways to grow more feed/Ha using new crop combinations. Results were then field trialled and costed to make them of use to farmers.	The use of new crops such as Millet and Plantain are alleged to offer new ways to produce more milk/Ha. 30:30 tried to find a way to reduce feed costs by growing more feed/Ha.	Trials were conducted across Victoria and South Australia and then field trialled on commercial farms. Results were analysed by economists to offer farm usable cost-benefits and then distributed (extended) to farmers through field days, discussion groups, brochures and web sites with Fact Sheets made available.	Melbourne University, DPI Victoria and private consultants.	Terang, Fleurieu Peninsula and North East Victoria.
Dairy Directions	Dairy business analysts and a farmer steering group developed highly in-depth financial analyses and forecasts of future options for a "typical" Western Victorian dairy farm.	Farmers are unable to afford highly detailed (e.g. \$50k) analyses of future options for their business. This work helped farmers understand the wealth implications of future business development options.	A farmer steering group was established in late 2008 and they described a "typical" farm in Western Victoria. The researchers found an agreed typical farm, collected the financial and physical data from it and produced a full set of accounts for the farm over the last five years. The steering committee scoped six development options from the typical farm and modelled wealth impacts to owners of those six options 10 years out.	Analysts from DPI Victoria, consultants and farmers in Western Victoria.	Across Western Victoria.
Careers Coordination	A coordinator worked with schools and the careers "industry" to get higher use of dairy career material to students and job seekers.	Dairy is not seen as an attractive career option by many students. This project is trying to change the culture in schools to promote dairy as a career of choice.	A contractor was employed with experience in the careers field to a) collect and develop dairy careers promotional material b) connect with the careers industry network; and	The coordination plan was carried out by the WVD Careers Coordinator.	Across Western Victoria



## WestVic Dairy Achievement Report 2010-11

Name	What was done	Why it was done	How it was done	Who did it	Where
Cows Create Careers	Fourteen schools reared local farmers' calves for three weeks, conducted class room work around the dairy industry and completed a project on the experience.	To raise school community understanding of the dairy industry and start kids thinking about a career in dairy.	Local farmers provided two calves to each school. The students prepared calf-rearing pens, and with advice from the farmer, cared for and measured the growth of the calves for three weeks. Through the associated curriculum work, and with the support of a dairy industry mentor, the students explored a particular facet of the industry and gained insight into the available career options.	WVD Dairy Careers Coordinator managed the project in Western Victoria for Dairy Australia.	Nationally
In2Dairy – Assistant Farm Hand Training	A process was developed to bring job placement training and other services to a team that helped job seekers test and commence a career on dairy farms.	To improve the attraction and retention of staff to the dairy industry - a key priority for the region's farmers.	Dairy Australia and WVD were funded by VictoriaWorks to develop a pathway for the unemployed to move from Centrelink and Job Services Australia to work on farms. A partnership with WestVic Staffing Solutions (WSS), NCDEA and Melbourne University piloted and developed a recruitment/training/work placement support process that could be trialled elsewhere in Australia. 26 placements were made and 14 new employees continue working in the industry.	WVD Dairy Careers Coordinator, NCDEA and WSS.	Across Western Victoria.
Young Dairy Development Program (YDDP)	A coordinator helped organise four YDDP groups in Western Victoria that met at least five times in 2010-11. Over 500 people have been involved in YDDP events.	Having groups of young people attached to the dairy industry helps to build our leaders for the future and strengthen their support for and loyalty to the dairy industry.	The industry funded a coordinator to help four local committees in Colac Otway, Corangamite, Warrambool and Glenelg which brought young people together at dairy specific events.	WVD YDDP coordinator.	Across Western Victoria.
DairySage 2	Three programs supported dairy industry mentoring relationships across Victoria in 2010/11.	DairySage has provided dairy people with the support to make major changes in their lives and increased the strength and breadth of the industry network.	A project team at WestVic Dairy recruited mentors and mentees and provided them with the training to undertake a six month mentoring relationship. Trained facilitators matched mentors with mentees and then supported them in this relationship.	WVD and contractors.	Western Victoria, Gippsland and Northern Victoria.



## WestVic Dairy Achievement Report 2010-11

Name	What was done	Why it was done	How it was done	Who did it	Where
In Charge Financial Literacy	A series of workshops was designed and delivered to 36 dairy farming women and a research project undertaken to understand how dairy couples exchange information to make decisions on the farm.	If programs can further improve the business and financial management capacity of our farmers we are more likely to make the best returns possible on the region's farms.	The team at WVD contracted a female accountant (who is also a dairy farmer) to design and deliver financial literacy programs to three groups of women. A researcher has worked with the 36 women to understand how information is collected between the business partners to make on-farm business decisions.	The team at WVD managed the project and a contractor delivered the program.	Macarthur, Simpson and Terang.
In Charge Leadership Literacy	Workshops were designed and delivered to 36 women across the region's dairy supply chain.	The program was designed to develop leadership skills, provide participants with confidence and improve their awareness and leadership capacity.	The project was funded by the Department of Planning and Community Development to promote and deliver leadership programs for rural women either on-farm, within a community organisation, or in their business environment.	The team at WVD managed the project and a contractor facilitated the workshops.	Cobden, Nullawarre and Macarthur
Dairy Awards	This competition is held annually to find the region's best Employers, Share-farmers, Natural Resource Managers, Young Leaders and dairy photographers. The Awards were presented at a Gala Night.	The Awards promote best practice amongst farmers and service providers and raise the reputation of dairy in the community.	Nominations were called for in January and this year over 75 nominees were judged to find the best performer in each category. Finalists were invited to the Gala Awards night on 7 April, 2011 where the winners were announced and presented with nearly \$15k of donated prizes (sponsors provide over \$50k to the project).	The project was managed by WVD (overseen by the Regional Extension Committee) with help from DPI Victoria.	Across Western Victoria.
Driving Down the Track (DDTT)	DDTT was a 24 month, two stage project to broker the development and implementation of a set of 10 actions to grow the dairy industry in Western Victoria. The project attracted funds and support from other providers.	The industry has a direction and a plan to grow - DDTT attracted widespread support from governments (local, state and federal), which brought new money and other resources into our industry.	The industry formed a Steering Committee of farmers, processors and government that drove the project using levy funds. Through an extensive process of consultation, the first stage identified the 10 most important actions to grow dairy. Stage two started the implementation of these actions.	The project team was based at WVD and other support from government and processors joined the team for particular actions. The Regional Extension Committee worked on four of the 10 actions.	Across Western Victoria.
Milk from Moisture	A specialist pilot workshop called "Milk from Moisture" was designed and delivered to dairy farmers in Colac and Cobden.	Making the most of new weather technologies and information to manage farms is a way of improving risk management and increasing profitability. This project was funded by Southern	Southern Farming Systems, a broadacre research and extension group won funds to improve the skills of their members to use weather data to manage agricultural risk. WVD managed to attract some	WVD formed a team of specialist dairy staff who put the project together and delivered the workshops.	Colac and Cobden



## WestVic Dairy Achievement Report 2010-11

Name	What was done	Why it was done	How it was done	Who did it	Where	
Communication WVD Dairy News	Every month the industry produced a newsletter that was distributed to all dairy farmers and service providers in Western Victoria.	The newsletter is produced to distribute information to help farmers and their service providers improve business performance and increase profitability.	Farming Systems and was used to pilot some new ways to manage variable weather and improve on-farm decision making.	Articles were developed and contributed by reliable sources to make up the newsletter which was edited by WVD. The newsletter was distributed to 2000 farmers via their milk statements, 300 by mail and 600 by email. It was also included in The Standard's On the Land each month which has a circulation of approx 40,000 readers	WVD and DPI Vic developed and sourced articles for the newsletter.	Mainly in Western Victoria but some newsletters are delivered interstate and internationally.

### Acknowledgements

<p>ABS Australia ACE Radio Ambleside Financial Planning Bonlac Supply Company Coffey Hunt Accountants Colac Otway Shire Commonwealth Bank Corangamite Catchment Management Authority Corangamite Shire Dairy Australia Dairy Farmers Deakin University DemoDAIRY Department of Business and Innovation Department of Planning and Community Development Department of Primary Industries Department of Sustainability and Environment Five Star Stockfeeds Fonterra Genetics Australia Geoffrey Gardiner Foundation Gleneig Hopkins Catchment Management Authority Gordon TAFE GreenCon Keenan Pty Ltd</p>	<p>Mahogany Computer Services Melbourne University Midfield Meats Moyné Shire Murray Goulburn Pty Ltd nab Agribusiness National Centre for Dairy Education Australia National Foods Regional Extension Committee Regional Development Victoria Rural Finance Southern Rural Water Sinclair Wilson Accountants South West Local Learning and Employment Network South West TAFE Star Printing The Standard The Vet Group United Dairyfarmers Victoria Valtek Video Productions Warakirri Dairies Pty Ltd Warrnambool Cheese and Butter Factory Warrnambool City Council WestVic Staffing Solutions WHK</p>
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**WESTVIC DAIRY INC.**

**Financial Statements**

**For Year Ended 30 June 2011**

WESTVIC DAIRY (NON-REPORTING) INC.

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

<u>WESTVIC DAIRY</u>	Note	2011	2010
INCOME		\$	\$
Interest		5,395	4,309
Other Income		31,985	43,961
Project Income		693,332	558,057
Program Funding			
Program Conduct - Dairy Australia		304,278	306,342
<b>TOTAL INCOME</b>		<b>1,034,990</b>	<b>912,669</b>
<b>EXPENDITURE</b>			
Advertising		4,281	8,793
Bank Charges		705	779
Board Development		15,029	521
Board Fees		24,118	26,277
Catering Costs		68,009	51,125
Contractors		218,809	271,013
Depreciation		8,539	5,593
Industry Development		12,821	32,266
Legal and Accounting Fees		7,644	12,225
Payroll Costs			
Wages and Salaries	286,217		225300
Travel Allowance	11,297		0
Superannuation Expenses	27,627		27881
Leave Accruals	( 619 )		-6067
Workcover	1,000	325,522	874
Printing Postage and Stationery		67,405	58,041
Project Supplies		174,046	44,153
Rent and Venue Hire		33,500	40,607
Repairs and Maintenance		3,226	6,440
Small Grants		18,208	6,299
Staff Development		7,687	1,463
Sundry		425	665
Telephone/ Fax/ Internet		14,326	13,168
Travel and Accommodation Cost		83,073	53,562
<b>TOTAL EXPENSES</b>		<b>1,087,372</b>	<b>880,979</b>
<b>Surplus/(Deficit) from Ordinary Activities</b>		<b>( 52,383 )</b>	<b>31,690</b>
Retained profits at the beginning of the financial year		160,953	129,263
<b>Retained profits at the end of the financial year</b>		<b>108,570</b>	<b>160,953</b>

Income Statement to be read in conjunction with Notes to these Accounts

**WESTVIC DAIRY (NON-REPORTING) INC.**  
**INCOME AND EXPENDITURE STATEMENT (Cont.)**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
<b>EXTENSION COMMITTEE</b>		
Income	1,417	14,660
Expense	<u>( 5,562 )</u>	<u>( 7,863 )</u>
<b>Surplus/(Deficit) from Ordinary Activities</b>	<b>( 4,145 )</b>	<b>6,797</b>
 Retained profits at the beginning of the Financial Year	 <u>40,999</u>	 <u>34,202</u>
 <b>Retained Profits at the end of the Financial Year</b>	 <u>36,853</u>	 <u>40,999</u>
 <b>RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR</b>	 <u><b>145,423</b></u>	 <u><b>201,951</b></u>

Income Statement to be read in conjunction with Notes to these Accounts

WESTVIC DAIRY (NON-REPORTING) INC.

ASSETS AND LIABILITIES STATEMENT

AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
<b>Current Assets</b>			
Cash Assets	2	113,422	208,161
Receivables	3	91,951	55,868
<b>Total Current Assets</b>		<b>205,373</b>	<b>264,028</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment	4	15,294	20,629
<b>Total Non Current Assets</b>		<b>15,294</b>	<b>20,629</b>
<b>TOTAL ASSETS</b>		<b>220,666</b>	<b>284,657</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5	75,244	82,707
Provisions	6	-	-
<b>Total Current Liabilities</b>		<b>75,244</b>	<b>82,707</b>
<b>TOTAL LIABILITIES</b>		<b>75,244</b>	<b>82,707</b>
<b>NET ASSETS</b>		145,423	201,951
Retained Profits	7	145,423	201,951
<b>TOTAL EQUITY</b>		<b>145,423</b>	<b>201,951</b>

Balance Sheet to be read in conjunction with Notes to these Accounts



**WESTVIC DAIRY (NON-REPORTING) INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2011**

	<b>Note</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from operating activities		994,928	968,231
Interest received		5,395	4,309
Payments to suppliers and employees		( 1,091,858 )	( 963,725 )
Net cash provided by operating activities	<b>8[b]</b>	<b>( 91,535 )</b>	<b>8,814</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for Property, Plant and Equipment		( 3,204 )	( 7,262 )
Proceeds on Sale of Equipment		-	-
Net cash used in investing activities		<b>( 3,204 )</b>	<b>( 7,262 )</b>
Net increase in cash held		( 94,739 )	1,552
Cash at Bank and Investments as at 30th June 2010		167,162	168,372
Add Extension Committee Funds		40,998	38,237
<b>Cash at Bank and Investments as at 30th June 2010</b>	<b>8[a]</b>	<b>113,422</b>	<b>208,161</b>

Cash Flow Statement to be read in conjunction with Notes to these Accounts

**WESTVIC DAIRY (NON-REPORTING) INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2011**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Vic) 1981. The Committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Vic) 1981 and the following Australian Accounting Standards:

Presentation of Financial Statements	AASB 101
Cash Flow Statements	AASB 107
Accounting Policies, Changes in Accounting Estimates and Errors	AASB 108
Events after the Balance Sheet Date	AASB 110
Property, Plant and Equipment	AASB 116
Revenue	AASB 118
Employee Benefits	AASB 119
Materiality	AASB 1031
Interpretation and Application of Standards	AASB 1048

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Standards Board have been applied.

The Financial report has been prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

**Accounting Policies**

**(a) Plant and Equipment**

Each class of plant and equipment are carried at cost of fair value less, where applicable, any accumulated depreciation. Depreciation is calculated on all Non-Current Assets using the straight line method, based on the expected useful life of the asset. The depreciation rates used were 15% to 100%.

**(b) Superannuation**

The Association contributes employer superannuation on behalf of permanent employees receiving greater than \$450 per month. The Association is not legally obligated to contribute greater than the 9% superannuation guarantee levy.

**WESTVIC DAIRY (NON-REPORTING) INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2011 (cont.)**

**(c) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the balance sheet. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(d) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

**(e) Impairment of Assets**

Impairment of Assets at each reporting date, the Association reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

WESTVIC DAIRY (NON-REPORTING) INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011 [cont.]

	2011 \$	2010 \$
<b>2 Cash Assets are comprised of:</b>		
Petty Cash	155	100
Trading Bank Account	758	83,254
Cash Management	69,929	83,808
Cash Drawer	5,743	-
Extension Committee Bank Account	36,837	40,998
	<b>113,422</b>	<b>208,161</b>
<b>3 Receivables are comprised of:</b>		
Accounts Receivable	91,951	55,868
Extension Committee Receivables	-	-
	<b>91,951</b>	<b>55,868</b>
<b>4 Property, Plant and Equipment are comprised of:</b>		
Office Equipment at Cost	51,837	78,308
Less Accumulated Depreciation	( 36,543 )	( 57,679 )
	<b>15,294</b>	<b>20,629</b>
<b>5 Payables are comprised of:</b>		
Payables	37,425	44,579
CBA Business Card	333	-
Payroll Liabilities	6,183	4,762
Annual Leave entitlements	23,428	24,047
Extension Account Funds	-	-
Tax Payable	7,874	9,318
	<b>75,244</b>	<b>82,707</b>

WESTVIC DAIRY (NON-REPORTING) INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011 [cont.]

	2011 \$	2010 \$
<b>6 Provisions</b>		
Long Service Leave	-	-
	<u>-</u>	<u>-</u>

**7 Retained Profits are comprised of:**

Retained Earnings	160,953	129,263
Retained Earnings - Extension Committee	40,999	34,202
Net Profit/(Loss)	( 56,528 )	38,486
	<u><b>145,423</b></u>	<u><b>201,951</b></u>

**8 Cash Flow Information**

**[a] Reconciliation of Cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Cash Assets	<u>113,422</u>	<u>208,161</u>
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**[b] Reconciliation of Cash Flow from Operations with Net Profit**

Net Profit/(Loss)	( 56,528 )	38,486
<u>Add Back Non-Cash Flows in Operating Profit</u>		
Depreciation	8,539	5,593
Profit on Sale of Equipment	-	-
(Increase)/Decrease in Receivables	( 36,083 )	45,211
Increase/(Decrease) in Payables	( 7,463 )	( 74,531 )
Increase/(Decrease) in Provisions	-	( 5,945 )
<b>Cash Flows from Operations</b>	<u><b>( 91,535 )</b></u>	<u><b>8,814</b></u>

**9 Events after the Balance Sheet Date**

The committee is not aware of any events subsequent to balance sheet date which would materially affect the financial statement at 30th June 2011.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WESTVIC DAIRY (NON-REPORTING) INCORPORATED

#### Scope

We have audited the accompanying financial report, being a special purpose financial report, of Westvic Dairy (Non-Reporting) Incorporated, which comprises the assets and liabilities statements as at 30 June 2011 for the year then ended, the income and expenditure statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

#### *Committee's Responsibility for the Financial report*

The committee of the Westvic Dairy (Non-reporting) Incorporated is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act. (Vic.) 1981 and are appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

#### *Auditor's Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Westvic Dairy (Non-reporting) Incorporated as at 30th June 2011 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Act (Vic) 1981.

#### *Basis of Accounting and Restriction on Distribution*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Westvic Dairy (Non-reporting) Incorporated to meet the requirements of the Associations Incorporation Act (Vic) 1981. As a result, the financial report may not be suitable for another purpose.

McLaren Buzolich O'Keeffe  
Certified Practising Accountants

10th August, 2011



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Douglas R. Buzolich B.Bus CPA  
Partner

**WESTVIC DAIRY INC.**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

In the opinion of the committee the financial report as set out on pages 1 to 8

- 1 Presents a true and fair view of the financial position of Westvic Dairy Inc. as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
- 2 At the date of this statement, there are reasonable grounds to believe that Westvic Dairy Inc. will be able to pay its debts as and when they fall due.

This Statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

x  .....  
Signature of Chairperson

JOHN DALTON .....  
Print Name of Chairperson

Dated this 5<sup>th</sup> day of September, 2011

