

# ANNUAL GENERAL MEETING



Wannon Rooms Warrnambool

Friday 17 September, 2010

12.30pm

*"Advancing the dairy industry in Western Victoria"*



**WESTVIC DAIRY INC.  
ANNUAL GENERAL MEETING 2010**

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**WESTVIC DAIRY INC.  
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**AGENDA**

- 12.30 pm    Open Meeting
- Apologies
- Minutes Previous Meeting
- Business Arising from Minutes
- Chairman's Report
- Treasurer's Report
- Appointment of Board Members
- Purpose and Rules – Proposed Changes
- Executive Officer's Report
- Meeting Closed



**WESTVIC DAIRY INC.  
ANNUAL GENERAL MEETING 2010**

## **2009 Annual General Meeting Minutes**

**Location:** The Port Fairy Yacht Club, Port Fairy

**Date:** 4 September, 2009

**Time:** 12.30pm

**Present:** Roma Britnell, Ron Page, Joe Giblin, John McLean, John Dalton, Kay Antony, Peter Musson, Matt Reid, Garry Smith, Mike Weise, Lisa Chesshire, Barb Collins, Jocelyn Bevin, Jeff Lawes, Basil Ryan, Bryan Dickson, Naomi Pye, Morgan Hobin, Hayden Ballinger, Kerry Callow, Lindsay Ferguson, Tim Bligh, Rex Clements, Sue Webster, Tristan Crews, Vicki Surwillo, Richard Gloyne, Rod Eldridge, Terry O'Keefe and Graeme Anderson.

**Apologies:** Louise Sheba, Kym Mathew, Peter Wearne, David Shute, Linda Roache, John Collier, Paul Atack, Alex Goudy, Sean Kenny and John Pye.

Minutes of the previous meeting were tabled and moved by Kay Antony, seconded by Ron Page.

### **Business arising from the minutes**

There was no business arising from the previous minutes.

### **Executive Officer Report**

Mike Weise presented his report, seconded by John Dalton and carried.  
There were no questions.

### **Financial Report**

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

### **Chairman's Report**

Roma Britnell presented her report, seconded by John Dalton and carried.  
There were no questions.

### **Appointment of Board members**

Chairman, Roma Britnell reported the two vacant Board positions were advertised (due to retirements of Joe Giblin and John McLean). The Board is happy to announce the new members Matt Reid (farmer independent) and Garry Smith (non farmer). Roma Britnell was renominated as the UDV supported farmer and, as there were no other nominees in this category, Roma was automatically re-elected.

### **Election of Board Members**

Garry Smith and Matt Reid accepted their new positions on the Board.

Nominations for Chairman: Ron Page nominated Roma Britnell (accepted), seconded by John Dalton and carried.

Nominations for Vice Chairman: Peter Musson nominated John Dalton (accepted), seconded by Ron Page and carried.

Nominations for Treasurer: Peter Musson nominated Ron Page (accepted), seconded by John Dalton and carried.

Meeting closed 12.55pm



**WESTVIC DAIRY INC.  
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**Chairman's Report 2009/10**

The WestVic Dairy Board has operated throughout the 2009/10 year focused on its vision of advancing the Western Victorian dairy industry. The year posed many challenges for our region, and research, we understand is one very real way of meeting those challenges in the longer term.

The Board maintained its strong skill base when Garry Smith and Matt Reid replaced the retiring Joe Giblin and John McLean at last year's AGM. This year we are saying farewell to Ron Page, Kay Anthony and myself, who are retiring from the Board. I am sure the skills Kay, Ron and I have developed to represent our region, will not be lost, and I would like to take this opportunity to thank Ron and Kay for their dedication to the dairy industry.

I would like to welcome the new members of the Board - Lisa Dwyer, David Byrd, David Parkinson and Tom Walsh. You will notice that three are leaving and four are starting. This is because the Board has taken up the option this year of expanding to eight members and is a reflection of the increase in work load.

Last year we invested your levies in 10 projects which are recorded in the Achievement Report, along with another 18 that are resourced by other funds elsewhere, but developed and managed by WestVic Dairy. In summary your WestVic Dairy Board is pleased with the progress and results of all the investments made on behalf of the dairy farmers in Western Victoria during 2009/10.

I would like to take this opportunity to reflect on my eight years on the WestVic Dairy Board and thank my fellow Board members for their consistent efforts to help us drive the dairy research and development agenda in our region and across the state. I would also like to pay tribute to Mike Weise, the Executive Officer of WestVic Dairy and the team he leads, who are doing an amazing job of keeping the interests of dairy in the minds of community decision makers. This means we attract more and more non-dairy resources to develop our dairy industry - which makes up 1/3 of the region's economy.

WestVic Dairy has a solid history of sowing the seeds of some significant projects. The employment conundrum that farmers spoke of 10 years ago helped form the DEMC, a national farmer-led committee that took stock of the situation and led to the "People in Dairy" portfolio in Dairy Australia. Those farmers who have used this information speak very highly of the benefits of it to their business.



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The regional dairy industry strategy “Down the Track” is another highly significant project to come out of WestVic Dairy. This project means that dairy features in so many regional plans and is often quoted by non-dairy decision makers. It also assists the dairy industry to be understood, supported and embraced by the community in which we operate, and is an asset of ever increasing importance in today’s environment. This external industry work, coupled with a large team working together to improve the operating environment for us to farm in, has produced another fantastic result.

While the amount of opportunities and work carried out for the Board seems endless, the benefits of Board membership are way beyond the cost to my farm business that I’m leaving when I attend to my WestVic Dairy duties. The information members are exposed to through our role of representing you, helps us when building our own farm plans. The networks we have developed to source information are substantial and the friendships we make in our great industry are priceless. I have gained more from this role than I ever would have imagined and I encourage all farmers to consider getting involved in the work of the Board and influencing greater control on how our service levy is invested.

I joined WestVic Dairy to make sure our levy is invested wisely, and to help improve the understanding by the community of what a great industry dairy is. I continue to be impressed by the people involved in those areas and who work so hard to advance dairy. In my role I have found volumes of research information that, over the last 20 years, has helped us grow our business. I am convinced if we actively search out and take up new information, invest our levy in generating it and continue working collectively, the future for dairy is even more positive than many predict.

I am pleased to report to you that the next Board and Chairman are more than up to the challenge, and it’s good people like these we must support and encourage. I thank you for the experience this position has given me and hope I, and the Boards I have led, have served you well.

A handwritten signature in black ink, appearing to read 'Roma Britnell'.

Roma Britnell  
Chairman  
WestVic Dairy



**WESTVIC DAIRY INC.  
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**Treasurer's Report 2009/10**

This year has been a successful one for WestVic Dairy from a project and financial perspective. The 27 projects on our 2009/10 books is an increase on 2008/9 which means the income to advance our dairy industry in Western Victoria has grown by over \$100,000. As a number of these projects are relatively small, \$5000 or less, we have reduced our costs of processing them by consolidating them in Other Income and not creating separate financial files.

Most of the projects we attract have high staffing components and of note is the small decrease in the combined costs for staff and contractors. Elsewhere, the differences in costs between years have generally been downwards as we drive efficiencies for our levy payers. The final result for the year has seen a modest surplus that will be retained for projects that align with our farmers' priorities.

McLaren, Buzolich, O'Keeffe (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 2009/10 financial report to the Board as tabled and move that it be accepted by the AGM.

A handwritten signature in black ink, appearing to read 'R. Page'.

Ron Page  
Treasurer  
WestVic Dairy



**WESTVIC DAIRY INC.  
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**Executive Officer Report 2009/10**

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

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

- 1) spends resources influencing others to use their funds, and staff to advance our industry; and
- 2) where there is no provider that can deliver projects - puts in the WestVic Dairy Administration team, at cost, to make projects happen.

The performance of WestVic Dairy against the 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 the 2009/10 WestVic Dairy Achievement Report.

The work around investing the levy focuses on having an effective priority collection process. In February 2011, when the WestVic Dairy Board sets an operating plan for 2011/12, we will have priorities from over 20 Kitchen Forums to consider.

The investment plan for this year, 2010/11 is complete, and available on request. The plan is overseen by Dairy Australia and contracts exist to record each party's responsibilities. In 2009/10 all elements of the contract with Dairy Australia, including auditing, have been successfully delivered.

The project management business of WestVic Dairy is described individually in the Achievement Report but of note to levy payers is the increase in projects we now manage for the industry.

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 of our region, Dairy Australia, UDV, the Extension and Education Committees, the region's milk processors, Departments of Primary Industries, Sustainability and Environment,





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Industry Innovation and Regional Development, Planning and Community Development, National Centre for Dairy Education Australia, DemoDAIRY, 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 the south west of Victoria (a full list is available at the back of the Achievement Report).

Within WestVic Dairy, thank you to the Board who provide, often for little return, time, drive, expertise and support to their administrative team: Lisa Chesshire, Jocelyn Bevin, Holly Richardson, Amanda Heard and myself. Thank you to the project management teams: Barb Collins, Karen Wales, Karen Baum, Liza Fahey, Peter Wearne, Rick Bayne, Terry Makin, Jeff Lawes, David Curry, Cath Jenkins, Marni Barber, Robyn Vale, Ralph Leutton, Paul Baker, Kevin Karvallo, Rachel Ward, Joshua Grabiell, Jodie McKenzie, Mark Gardiner, Lee Beattie, Jenny O'Sullivan and Bevan Bessan, and a special thanks to the many staff in Dairy Australia who support the work we do for levy payers in Western Victoria.

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

Mike Weise  
Executive Officer  
WestVic Dairy



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**The Board of WestVic Dairy wishes to acknowledge the support received from our many stakeholders and partners during the year 2009/10:**

- Colac Otway, Corangamite, Glenelg and Moyne Shires, and Warrnambool City Council
- Corangamite Catchment Management Authority
- Dairy Australia
- Dairy Service Providers
- Deakin University
- DemoDAIRY Co-op Ltd
- Geoffrey Gardiner Foundation
- Glenelg Hopkins Catchment Management Authority
- Melbourne University
- Milk Processors
- National Centre for Dairy Education of Australia
- Regional Extension & Education Committees
- State and Federal Governments
- South West TAFE
- United Dairyfarmers of Victoria
- Victorian Farmers Federation



**WESTVIC DAIRY INC.  
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**Proposed Changes  
Statement of Rules and Purpose**

**OPERATION OF WESTVIC DAIRY**

CURRENT	PROPOSED
<p>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.</p>	<p>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.</p>

**WESTVIC DAIRY INC.**

**Financial Statements**

**For Year Ended 30 June 2010**

**WESTVIC DAIRY INC.**

**INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2010**

<u>WESTVIC DAIRY</u> <b>INCOME</b>	Note	<b>2010</b> \$	<b>2009</b> \$
Interest		4,309	4,351
Other Income		43,961	2,721
Project Income		576,807	519,039
Program Funding			
Program Conduct - Dairy Australia		287,592	280,320
<b>TOTAL INCOME</b>		<b>912,669</b>	<b>806,431</b>
 <b>EXPENDITURE</b>			
Advertising		8,793	4,335
Bank Charges		779	830
Board Development		521	818
Board Fees		26,277	27,419
Catering Costs		51,125	49,205
Contractors	12a	271,013	341,604
Depreciation		5,593	5,963
Industry Development	12b	32,266	25,418
Legal and Accounting Fees		12,225	11,549
Payroll Costs			
Wages and Salaries	225300		183,226
Travel Allowance	0		6,133
Superannuation Expenses	27880.72		17,655
Leave Accruals	-6067.25		
Workcover	874.22	247,988	319
Printing Postage and Stationery		58,041	68,044
Project Supplies		44,153	52,922
Rent and Venue Hire		40,607	24,742
Repairs and Maintenance		6,440	5,385
Small Grants		6,299	13,419
Staff Development		1,463	1,513
Sundry		665	-
Telephone/ Fax/ Internet		13,168	12,217
Travel and Accommodation Cost		53,562	66,819
<b>TOTAL EXPENSES</b>		<b>880,979</b>	<b>919,535</b>
<b>Surplus/(Deficit) from Ordinary Activities</b>		<b>31,690</b>	<b>( 113,104 )</b>
Retained profits at the beginning of the financial year		129,263	242,367
<b>Retained Profits at the end of the Financial Year - Westvic Dairy</b>		<b>160,953</b>	<b>129,263</b>

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

WESTVIC DAIRY INC.

INCOME STATEMENT (Cont.)

FOR THE YEAR ENDED 30TH JUNE 2010

	2010 \$	2009 \$
<b>EXTENSION COMMITTEE</b>		
Income	14,660	5,542
Expense	<u>( 7,863 )</u>	<u>( 5,115 )</u>
<b>Surplus/(Deficit) from Ordinary Activities</b>	<b>6,797</b>	<b>427</b>
Retained profits at the beginning of the Financial Year	<u>34,202</u>	<u>33,775</u>
<b>Retained Profits at the end of the Financial Year</b>	<b><u>40,999</u></b>	<b><u>34,202</u></b>
<b>RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR</b>	<b><u><u>201,951</u></u></b>	<b><u><u>163,465</u></u></b>

WESTVIC DAIRY INC.

BALANCE SHEET

FOR THE YEAR ENDED 30TH JUNE 2010

	Note	2010 \$	2009 \$
<b>Current Assets</b>			
Cash Assets	2	208,161	206,609
Receivables	3	55,868	101,079
<b>Total Current Assets</b>		<b>264,028</b>	<b>307,688</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment	4	20,629	18,960
<b>Total Non Current Assets</b>		<b>20,629</b>	<b>18,960</b>
<b>TOTAL ASSETS</b>		<b>284,657</b>	<b>326,648</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5	82,707	157,238
Provisions	6	-	5,945
<b>Total Current Liabilities</b>		<b>82,707</b>	<b>163,183</b>
<b>TOTAL LIABILITIES</b>		<b>82,707</b>	<b>163,183</b>
<b>NET ASSETS</b>		201,951	163,465
Retained Profits	7	201,951	163,465
<b>TOTAL EQUITY</b>		<b>201,951</b>	<b>163,465</b>

WESTVIC DAIRY INC.

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30TH JUNE 2010

	Note	2010 \$	2009 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from operating activities		968,231	785,657
Interest received		4,309	4,351
Payments to suppliers and employees		( 963,725 )	( 825,278 )
Net cash provided by operating activities	8[b]	<u>8,814</u>	<u>( 35,270 )</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for Property, Plant and Equipment		( 7,262 )	( 2,548 )
Proceeds on Sale of Equipment		-	-
Net cash used in investing activities		<u>( 7,262 )</u>	<u>( 2,548 )</u>
Net increase in cash held		1,552	( 37,818 )
Cash at Bank and Investments as at 30th June 2009		168,372	210,652
Add Extension Committee Funds		38,237	33,775
<b>Cash at Bank and Investments as at 30th June 2010</b>	8[a]	<u><u>208,161</u></u>	<u><u>206,609</u></u>



## WESTVIC DAIRY INC.

### NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE, 2010

#### 1 STATEMENT OF 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 INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS [cont.]**

**FOR THE YEAR ENDED 30TH JUNE, 2010**

**(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 INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010 [cont.]

	2010 \$	2009 \$
<b>2 Cash Assets are comprised of:</b>		
Petty Cash	100	125
Trading Bank Account	83,254	39,055
Cash Management	83,808	129,192
Extension Committee Bank Account	40,998	38,237
	<u>208,161</u>	<u>206,609</u>
<b>3 Receivables are comprised of:</b>		
Accounts Receivable	55,868	99,954
Extension Committee Receivables	-	1,125
	<u>55,868</u>	<u>101,079</u>
<b>4 Property, Plant and Equipment are comprised of:</b>		
Office Equipment at Cost	78,308	71,046
Less Accumulated Depreciation	( 57,679 )	( 52,086 )
	<u>20,629</u>	<u>18,960</u>
<b>5 Payables are comprised of:</b>		
Payables	44,579	69,218
Payroll Liabilities	4,762	4,502
Annual Leave entitlements	24,047	24,170
Extension Account Funds	-	100
Tax Payable	9,318	19,208
Accrued Income	-	34,880
Extension committee Payables	-	5,054
Extension committee Tax Payable	-	106
	<u>82,707</u>	<u>157,238</u>

**WESTVIC DAIRY INC.**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2010 [cont.]**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>6 Provisions</b>		
Long Service Leave	-	5,945
	-	<b>5,945</b>
	-	<b>5,945</b>

**7 Retained Profits are comprised of:**

Retained Earnings	129,263	242,367
Retained Earnings - Extension Committee	34,202	33,775
Net Profit/(Loss)	38,486	( 112,677 )
	<b>201,951</b>	<b>163,465</b>
	<b>201,951</b>	<b>163,465</b>

**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	208,161	206,609
	208,161	206,609

**[b] Reconciliation of Cash Flow from Operations with Net Profit**

Net Profit/(Loss)	38,486	( 112,677 )
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Add Back Non-Cash Flows in Operating Profit

Depreciations	5,593	5,963
Profit on Sale of Equipment	-	-
(Increase)/Decrease in Receivables	45,211	( 21,965 )
Increase/(Decrease) in Payables	( 74,531 )	91,164
Increase/(Decrease) in Provisions	( 5,945 )	2,245
<b>Cash Flows from Operations</b>	<b>8,814</b>	<b>( 35,270 )</b>
	<b>8,814</b>	<b>( 35,270 )</b>

**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 2010.

**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 2010 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:



.....  
Signature of Chairperson

.....  
ROMA BITNEIL  
Print Name of Chairperson

Dated this 31<sup>st</sup> day of August, 2010

## INDEPENDENT AUDIT REPORT TO THE

### MEMBERS OF WESTVIC DAIRY INC.

#### Scope

We have audited the financial report, being a special purpose financial report, of WestVic Dairy Inc., which comprises the assets and liabilities statements as at 30 June 2010 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 association is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements, which form part of the financial report, are consistent with the reporting requirements of the Associations Incorporation Act (Vic.) 1981 and are appropriate to meet the needs of the members. The committee's responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 and fair presentation of the financial report 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.

The financial report has been prepared for the distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the Associations Incorporation Act (Vic) 1981. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

#### *Independence*


In conducting our audit, we have complied with the independence requirements of Australian professional ethical requirements.

#### *Auditor's Opinion*

In our opinion, the financial report of WestVic Dairy Inc. (Non-reporting) presents fairly, in all material respects the financial position of WestVic Dairy Inc. (Non-reporting) as at 30th June 2010 and of 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.

McLaren Huzarich O'Keefe  
Certified Practising Accountants

10th August, 2010

  
Douglas R. Buzoleb B.Bus CPA  
Partner