"Advancing the Dairy Industry in Western Victoria"

WestVic Dairy Inc.

ANNUAL GENERAL MEETING

Port Fairy Yacht Club

Friday 4th September, 2009

12.30pm

WESTVIC DAIRY INC.
ANNUAL GENERAL MEETING 2009

INDEX

Agenda	2
Minutes Previous Meeting	3
Chairman's Report	4
Treasurer's Report	7
Executive Officer Report	8
Stakeholders and Partners	11
Financials	12

WESTVIC DAIRY INC.
ANNUAL GENERAL MEETING 2009

AGENDA

12.30 pm	Open Meeting
	Apologies
	Minutes Previous Meeting
	Business Arising from Minutes
	Chairman's Report
	Treasurer's Report
	Executive Officer Report
	Appointment of Board Members
	Election of Office Bearers
	Meeting Closed

WESTVIC DAIRY INC.
ANNUAL GENERAL MEETING 2009

2008 Annual General Meeting Minutes

Location: The Golf Club, Camperdown

Date: 4th September, 2008

Time: 12.30pm

Present: J. Lawes, P. Wearne, N. Dickson, M. Whamond, L. Chesshire, C. Newson, J. McLean, J. Dalton, C. Murphy – Dairy Australia , K. McSween, C. Harkness, J. Giblin, L. Sutherland, A. Jenkins, R. Gloyne - DemoDAIRY, K. Mathew - DemoDAIRY, R. Britnell, M. Weise, R. Holland, L. McGarvie, G. Alexander, G. Ward, T. Sim, R. Page, N. Markham

Apology: T. Bligh, L. Sheba, B. Dickson, B. Collins, P. Musson

Minutes of the Previous Meeting were tabled and moved by L Sutherland, seconded by J Giblin.

Business arising from the minutes
There was no business arising from the previous minutes.

Chairman's Report
R. Britnell presented her report, seconded by G Giblin and carried.
There were no questions.

Financial Report
R. Page presented the audited financials, seconded L. Sutherland and carried.
There were no questions.

Executive Officer Report
M. Weise presented his report, seconded by J Giblin and carried.
There were no questions.

Proposed Changes to the Statement of Purpose and Rules
M. Weise read the proposed changes to the Statement of Purpose and Rules. No comments were made. R. Page nominated that the changes should be passed, seconded by L. Sutherland and carried.

Meeting closed 1.30pm

WESTVIC DAIRY INC.
ANNUAL GENERAL MEETING 2009

Chairman's Report 2008-09

The year 2008/09 was an exceptional one for the region's dairy farmers. We set off in July with high optimism in the air. Sadly pessimistic profit forecasts hung around the close of the year as we moved in to 2009/10.
The year started with the highest ever opening milk prices which continued on from the strong closing prices from the previous year, when step ups took us into a new milk price territory. In October 2008 the Global Financial Crisis hit our industry and our overseas market prices fell away drastically and most farmers received a step down in their milk price; the first time this has happened since the mid 70's. The year finished with the realisation that 2009/10 would be a tough one.

The GFC also influenced our input markets and most farm input costs; fertiliser, finance, fuel and feed came down in price. These input price drops helped somewhat to cushion the milk price blow, as did favourable weather across most of our region.

The WestVic Dairy Board maintained its strong skill base when John Dalton (Naringal) and Kay Anthony (Portland) replaced the retiring Lachie Sutherland and Craig Kermond at last year's AGM. This year we are saying farewell to John McLean who took up a new role in February and Joe Giblin who is retiring from the Board but will remain in dairy leadership roles elsewhere in our industry. Thank you to both for their contributions to our industry. I will announce the new members shortly.

The Board exists to "Advance the Dairy Industry in South West Victoria" and starts that work by collecting farmer priorities and incorporating those priorities into a strategic plan to develop the region's dairy industry. The year 2008/09 represents the biggest ever effort to canvas the views of our farmers in Western Victoria and more than 1000 dairy industry people and stakeholders helped build the project known as "Down the Track".

Two years ago in this report, I flagged that we were working with Local and State Government, processors, farmers and service providers to achieve an agreement to build a well supported strategic plan for the whole of the region's dairy industry – a goal that we had not tried before. We achieved that dream and earlier in the year launched "Down the Track".

This report has guided our investment this year and will for the following four years. Down the Track is a remarkable achievement for our $4.6Bn industry. To amass the needs of our 1530 farmers, the factories who process their milk, the shires and other levels of government, the service providers and the community behind one vision, is a result other regions and industries are planning to emulate. Thank you to all of you for your part in this achievement.

This figure of $4.6Bn represents the total value of the dairy industry in Western Victoria during 2008/09. About $1Bn of that was produced at the 1530 Western Victorian farms and another $1Bn was added once it had been through the processing facilities in the

region. The remaining $2.6Bn was from the service provider industries that support dairy farmers: i.e. feed, fertiliser, animal health etc and the service industries that also work in conjunction with the processors. In two districts in our region; South Corangamite and South Moyne, dairy provides 50% of the Gross Domestic Product. Every day we produce enough milk, which when placed in one litre containers side by side, would line up from DemoDAIRY to Melbourne and back (400kms). Annually we produce 2.1Bn litres which represents close to a quarter of Australia's total milk production.

With the destination agreed and set in Down the Track, phase two of the plan now kicks in; how to get there? Over the last few months our team has been assembling the resources to fund what we are now calling "Driving Down the Track". Over the next 12 months this project will take the goals and strategies we agreed to in Down the Track and develop new actions needed to achieve our plan, prioritise them and then form teams to take responsibility for an action and drive it to completion. These teams maybe from the UDV, retired farmers, shires and factories. We look forward to your part in advancing our industry through Driving Down the Track.

During 2008/9, we invested your levies in nine main areas:

1. Dairy Farm small grants
2. Feeding Cows
3. Guidelines for using 1st pond sludge
4. Dairy Awards,
5. Modelling future Dairy farm business results
6. Dairy Farmer Discussion Groups
7. WVD newsletter and other pro dairy communications
8. Driving Down the Track and
9. Attracting more resources to the region

This year we have offered five small grants;

1. Ground Water Access for Dairy Washdown
2. DemoDAIRY Strategic Planning Workshop
3. Adapting to Climate Change in Dairy - King Island Study Tour
4. The People in Dairy Three Day Employment Focus Group Program
5. South Ecklin Discussion Group Dairy Study Tour of Northern Tasmania

One project we are particularly proud of is the Ground Water Access for Dairy Washdown paper we funded. A five page paper was developed that described the challenge of separating dairy farm water usage into stock and domestic, dairy farm cleaning needs and irrigation. The paper was used by the UDV to influence State Government and now there is emerging a legislative way to allow dairy farmers the water they need to wash down/clean. This might not have been in place but for the development of what turned out to be a discussion paper and then the strong lobbying and advocacy by the UDV, particularly their water representative Basil Ryan.

On the advice of several observers last year, I have attempted to shorten the AGM report in 2009 and will post a fuller report on the Awards, Careers, Discussion Groups,

Feeding Cows, Guidelines for using 1st pond sludge and Modelling in forthcoming editions of WVD News. However, in summary, your WestVic Dairy Board is pleased with the progress and results of all the investments made on behalf of dairy farmers in Western Victoria during 2008/09.

One final comment about leverage; during 2008/09 about $600,000 of service levy was available for investment by your Board and this helped to attract about a further $2 million to the region, giving a leverage of 4.3. We hope for an equally strong result in 2009/10.

I would like to thank my fellow Board members for the consistent efforts to drive the dairy development agenda in our region and across the state. While the amount of opportunities and work required to carry this out seems endless, the benefits of Board membership are way beyond the help we get to pay for relief milkers while the Board is "on duty". The quantity of information that comes across our farm business desks helps us to use the best information possible 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.

We will be saying farewell to two of our Board this year, John McLean and Joe Giblin. Joe has been on the Board for six years and has made an immense contribution to our industry in that time. Thank you Joe for your time, dedication, enthusiasm and allegiance. You have been an excellent role model and mentor to fellow board members and me. John started the year in semi retirement mode and took up the CEO role at WCBF in autumn. Thank you for your invaluable and significant knowledge you brought to the board and your time, effort and contribution to Westvic Dairy, especially fitting us into your ever increasing busy schedule. Please join me in thanking these two pillars of our industry for their work to advance our great industry.

I would like to welcome the new members of the Board Matt Reid, a farmer from Carlisle River and Garry Smith, an accountant with WHK in Warrnambool. I also stand here as a re-elected board member after agreeing to reapply for my position when my term ended at this AGM.

Finally, as this challenging season unfolds, may I wish you all the best in managing the price drop and rest assured we will do all we can to help improve productivity and reduce costs.

Roma Britnell
Chairman

WESTVIC DAIRY INC.
ANNUAL GENERAL MEETING 2009

Treasurer's Report 2008-2009

This year has seen a considerable variation in the accounts from 2008. Primarily, income is down by about $300000 and while less, expenses have not dropped proportionally. The 2008 income figures were buoyed by two sizable pieces of work.

1) A $250000 (approx) National Landcare Project and
2) A $120000 Climate Change Project from the Department of Agriculture, Fisheries and Forestry (DAFF).

Both of these projects had monies carried over into 2009, hence the very large retained profits figure for 2008. This carry over then funded many of the expenses in 2009 and consequently expenditure only dropped by about $30000 from 2008 to 2009. The retained profit figure is still stronger than the figures in 2007 ($75000).

Sinclair Wilson Accountants and Auditors have completed the audit and signed off on the accounts as being correct; their report and letter verifying this fact is included as an attachment to this report.

As treasurer I am pleased to present this 2008-09 financial report to the Board as tabled and move that it be accepted.

Ron Page
Treasurer

WESTVIC DAIRY INC.
ANNUAL GENERAL MEETING 2009

Executive Officer Report 2008-09

WestVic Dairy exists to "Advance the Dairy Industry in Western Victoria" and the core of our business is the investment of dairy farmers' service levy against their priorities.

This core work, task 1 of 3, requires the Board to:

- Collect farmer priorities
- Allocate the levy against the highest priorities and
- Through Dairy Australia, to draw-up contracts with providers to deliver projects that address those priorities

The Board however, take a much broader view of "Advancing the Dairy Industry" and carry out two other important jobs for the industry. In task 2 the Board spend resources influencing others to use their funds, and staff to advance our industry and in task 3, where there is no provider that can deliver projects, utilising 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. The Treasurer reports on the financial performance of the business and the Executive Officer's report describe how well the investment, the influencing and the project management jobs have been carried out.

Task 1 works around investing the levy focuses and having an effective priority collection process. Annually, three forums are held to capture farmer priorities and flagged issues are added to a strategic plan and then form the basis of the year's investment plan.

Every four years the industry reviews the strategic plan and as you will have heard in the Chairman's' report, "Down the Track" is the strategic plan that will now guide our investment for the next four years. Down the Track asked over 1000 farmers and service providers for their priorities and while many replied by phone, fax, mail and email, large numbers attended events at Deans Marsh, Heywood, Colac, Irrewarra, Woolsthorpe, Allansford, Port Fairy and Warrnambool. Thank you for the fantastic response to Down the Track. We achieved what we set out to; a good plan with a community eager to deliver it.

The investment plan for 2009/10 is complete and available on request. The plan is overseen by Dairy Australia and contracts exist to record each party's responsibilities. In 2008/09 all elements of the contract with Dairy Australia, including auditing, have been successfully delivered.

Task 2 is the influencing component of our work and is not as easy to plan for as the investment work. Opportunities arise during the year and responses are made where appropriate. This report describes two of the major "nudging" exercises during 2008/09.

Down the Track started as a "nudging" exercise in 2006 and it has taken to 2008 to start building it. During the construction, WestVic Dairy worked widely with state and local governments and their understanding of our industries significance to the region has increased markedly. This means that more of the region's leaders understand the value of dairy to Western Victoria. The WestVic Dairy Board wrote to all the new councillors in November 2008 and we have consequently been invited to make presentations to the region's councils about dairy in the region and its value. Having regional leaders well informed about dairy and advocating for us offers strong benefits to our industry.

This year our relationship with Deakin University has strengthened. WestVic Dairy has provided work placements to their students, used their research capability, written joint proposals for development funds and we sit on Deakin advisory groups. Dairy is moving higher up on the agenda of community players to work with at Deakin and further benefits are likely to flow from this relationship in 2009/10.

The project management business of WestVic Dairy, Task 3, spans six major projects; Dairy Sage, Focus Farms, Climate Change, Careers Coordination, Down the Track, and the Dairy Awards.

DairySage is a three year $250,000 project to establish a mentoring framework in the Victorian dairy industry. Mentoring has proved to help many people develop new skills and improve business performance. WestVic Dairy are using contractors to deliver this predominately Gardiner Foundation funded project.

The Focus Farms Project is a three year $130,000 program that delivers on the farm profitability and Natural Resource Management strategies in Down the Track and is reported in the Chairman's report. This work has been resourced by funds from the Regional Catchment Management authorities and from levy payers.

The South West Climate Change Forum formed in 2007 and has been externally funded by State and Federal Government to provide better Climate Change information to the regions farmers in helping them to plan for the future. WestVic Dairy manages this project on behalf of all primary producers in Western Victoria.

The Regional Extension and Education Committee, a sub committee of WestVic Dairy recommended at the end of 2007 that dairy does a poor job of coordinating the careers effort in the region. In November 2008 a Careers Summit was held to bring together all parties involved in attracting students and careers changers to our industry. WestVic Dairy committed regional levy funds to build a plan for the coordination work and to part fund a coordinator. Despite hard work to initiate this work the project has not yet commenced as sufficient funds are not yet available.

Several mentions are made in our annual reports of Down the Track which has been project managed by WestVic Dairy staff. This has given farmers a strong connection to the way the project is carried out and the breadth of farmer consultation that could take place.

One of the largest projects the Board manage is the Great South West Coast Dairy Awards – an $80,000 project that recognises and rewards high farmer performance in Employment, Innovation Business and Environmental Management.

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, VFF, the Regional Extension and Education Committee and its sub committees, the regions milk processors, State Departments of Primary Industries, Sustainability and Environment, Industry Innovation and Regional Development, Planning and Community Development, National Departments of Agriculture, Food and Forestry, National Centre Dairy for Education of Australia, DemoDAIRY, Geoffrey Gardiner Foundation, Corangamite and Glenelg Hopkins Catchment Management Authorities, Deakin and Melbourne Universities, South West TAFE, Heytesbury and District Landcare Network, the local shires and councils and the many agencies and charities that deliver development services to the South West of Victoria.

Within WestVic Dairy, thank you to the Board who provide, often for little return; time, drive and expertise to support their administrative team of Lisa Chesshire, Jocelyn Bevin, Ben Sloane 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 and a special thanks to the many staff in Dairy Australia who support the work we do for levy payers in this blessed region of Western Victoria.

Mike Weise
Executive Officer

WESTVIC DAIRY INC.
ANNUAL GENERAL MEETING 2009

The Board of WestVic Dairy wishes to acknowledge the support received from our many stakeholders and partners during the year 2008-09

- Colac Otway, Corangamite, Glenelg, Moyne Shires and Warrnambool City Council
- Corangamite CMA
- Dairy Australia
- Dairy Service Providers
- Deakin University
- DemoDAIRY Co-op Ltd
- Geoffrey Gardiner Foundation
- Glenelg Hopkins CMA
- Heytesbury and District Landcare Network
- Melbourne University
- Milk processors
- National Centre for Dairy Education of Australia
- Regional Extension & Education Committee
- State & Federal governments
- South West TAFE
- United Dairyfarmers of Victoria
- Victorian Farmers Federation

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WESTVIC DAIRY INC.

Financial Statements

For Year Ended 30 June 2009

WESTVIC DAIRY INC.

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

	Note		2009 $		2008 $
WESTVIC DAIRY					
INCOME					
Interest			4,351		805
Other Income			2,721		-
Project Income			519,039		840,022
Program Funding					
Program Conduct - Dairy Australia			280,320		273,163
TOTAL INCOME			**806,431**		**1,113,990**
EXPENDITURE					
Advertising			4,335		5,693
Bank Charges			830		489
Board Development			818		139
Board Fees			27,419		17,592
Catering Costs	12a		49,205		40,099
Contractors			341,604		281,439
Depreciation			5,963		6,618
Industry Development	12b		25,418		28,751
Legal and Accounting Fees			11,549		14,476
Payroll Costs					
Wages and Salaries		183,226		149,657	
Travel Allowance		6,133			
Superannuation Expenses		17,655		14,913	
Workcover		319	207,333	(1,943)	162,627
Printing Postage and Stationery			68,044		60,475
Project Supplies			52,922		196,769
Rent and Venue Hire			24,742		26,633
Repairs and Maintenance			5,385		1,066
Small Grants			13,419		26,488
Staff Development			1,513		322
Sundry			-		(1,165)
Telephone/ Fax/ Internet			12,217		15,005
Travel and Accommodation Cost			66,819		61,426
TOTAL EXPENSES			**919,535**		**944,942**
Surplus/(Deficit) from Ordinary Activities			**(113,104)**		**169,048**
Retained profits at the Beginning of the Financial Year			242,367		73,319
Retained Profits at the end of the Financial Year - Westvic Dairy			**129,263**		**242,367**

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

WESTVIC DAIRY INC.

INCOME STATEMENT (Cont.)

FOR THE YEAR ENDED 30TH JUNE, 2009

	2009 $	2008 $
EXTENSION COMMITTEE		
Income	**5,542**	-
Expense	**(5,115)**	-
Surplus/(Deficit) from Ordinary Activities	**427**	-
Retained profits at the Beginning of the Financial Year	33,775	-
Retained Profits at the end of the Financial Year	34,202	-
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR	**163,465**	**242,367**

WESTVIC DAIRY INC.

BALANCE SHEET

AS AT 30TH JUNE 2009

	Note	2009	2008
ASSETS		**$**	**$**
Current Assets			
Cash Assets	**2**	206,609	210,652
Receivables	**3**	101,079	79,114
Total Current Assets		**307,688**	**289,766**
Non Current Assets			
Property, Plant and Equipment	**4**	18,960	22,375
Total Non Current Assets		**18,960**	**22,375**
TOTAL ASSETS		**326,648**	**312,141**
LIABILITIES			
Current Liabilities			
Payables	**5**	157,238	66,074
Provisions	**6**	5,945	3,700
Total Current Liabilities		**163,183**	**69,774**
TOTAL LIABILITIES		**163,183**	**69,774**
NET ASSETS		**163,465**	**242,367**
Retained Profits	**7**	163,465	242,367
TOTAL EQUITY		**163,465**	**242,367**

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

WESTVIC DAIRY INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE, 2009

	Note	2009 $	2008 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities		785,657	1,052,328
Interest received		4,351	805
Payments to suppliers and employees		(825,278)	(945,078)
Net cash provided by operating activities	8[b]	**(35,270)**	**108,055**
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(2,548)	(2,065)
Proceeds on Sale of Equipment		-	-
Net cash used in investing activities		(2,548)	(2,065)
Net increase in cash held		(37,818)	105,990
Cash at Bank and Investments as at 30th June, 2008		210,652	104,662
Add Extension Committee Funds		33,775	-
Cash at Bank and Investments as at 30th June, 2009	8[a]	**206,609**	**210,652**

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

WESTVIC DAIRY INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE, 2009

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] <u>Plant and Equipment</u>

Each class of plant and equipment are carried at cost or 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.

[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 these 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, 2009 [cont.]

	2009 $	2008 $
2 Cash Assets are comprised of:		
Petty Cash	125	116
Trading Bank Account	39,055	190,219
Rent Account	-	7,925
Strategic Planning Account	-	5,359
Payroll ACE BP Account	-	7,033
Cash Management	129,192	-
Extension Committee Bank Account	38,237	-
	206,609	**210,652**
3 Receivables are comprised of:		
Accounts Receivable	99,954	79,114
Extension Committee Receivables	1,125	
	101,079	**79,114**
4 Property, Plant and Equipment are comprised of:		
Office Equipment at Cost	71,046	68,498
Less Accumulated Depreciation	(52,086)	(46,123)
	18,960	**22,375**
5 Payables are comprised of:		
Payables	69,218	21,563
Payroll Liabilities	4,502	8,763
Annual Leave entitlements	24,170	16,109
Extension Account Funds	100	-
Tax Payable	19,208	19,639
Accrued Income	34,880	-
Extension committee Payables	5,054	-
Extension committee Tax Payable	106	-
	157,238	**66,074**

WESTVIC DAIRY INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [cont.]

FOR THE YEAR ENDED 30TH JUNE, 2009 (continued)

	2009 $	2008 $
6 Provisions		
Long Service leave	**5,945**	**3,700**

7 Retained Profits are comprised of:		
Retained Earnings	242,367	73,319
Retained Earnings - Extension Committee	33,775	-
Net Profit/(Loss)	(112,677)	169,048
	163,465	**242,367**

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	**206,609**	**210,652**

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

Net Profit/(Loss)	(112,677)	169,048
Add Back Non-Cash Flows in Operating Profit:		
Depreciation	5,963	6,618
Profit on Sale of Equipment	-	
(Increase)/Decrease in Receivables	(21,965)	(60,857)
Increase/(Decrease)) in Payables	91,164	(8,259)
Increase/(Decrease) in Provisions	2,245	1,505
Cash Flows from Operations	**(35,270)**	**108,055**

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 2009.

10 Related Parties

During the year Westvic Dairy Inc. did not enter into any contract or service provision with a Board Member, nor were any monies received for serviced rendered during the course of the year with any related parties, save for reimbursement of sitting fees, travel and accomodation to Board Members totalling $27,419

11 Contingent Liabilities and Contingent Assets

The Association is not aware of any contingent liabilities existing at Balance Date

12a Catering Costs includes:

Awards Dinner, Strategic Planning Project (Down The Track) and Ladies Day luncheon

12b Industry Development includes:

Sitting fees for the extension committee Victorian Farmers Youth Project which are both re-imbursed and Victorian Dairy Conference Expenses

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 9

1 Presents a true and fair view of the financial position of Westvic Dairy Inc. as at 30 June 2009 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

Rona Batnell.

Print Name of Chairperson

Dated this 28/8/09 day of August, 2009

SINCLAIR WILSON
Audit Services

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WESTVIC DAIRY INC.

Scope

The financial report and committee's responsibility:

The financial report comprises the statement of financial performance, statement of financial position and accompanying notes to the financial statements for WestVic Dairy Inc. for the year ended 30th June, 2009.

The committee of the Association is responsible for the preparation and true and fair presentation of the financial report and have 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 financial reporting requirements of the Associates Incorporation Act (Vic) 1981 and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting requirements 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.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

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We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate for the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

- assessing the appropriateness of the accounting policies and disclosure used and the reasonableness of significant accounting estimates mad by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion
In our opinion, the financial report of WestVic Dairy Inc. gives a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of WestVic Dairy Inc. as at 30th June, 2009 and the results of its operations for the year then ended.

DATED: 27th August, 2009

SIGNED.....
SINCLAIR WILSON
Accountants & Business Advisors
Warrnambool

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