



WESTERN AUSTRALIAN  
MEAT MARKETING CO-OPERATIVE LIMITED

Report to Members  
2011





# ACKNOWLEDGING OUR BEST

WAMMCO PRODUCER OF THE  
MONTH WINNERS 2010-2011

		Average Carcase Weight (kg)
<b>July 2010</b>	Barry & Jeremy James - BW James & Sons, Karlgarin	22.1
<b>August 2010</b>	Kevin & Simone Defrenne - Defrenne'ly Farms, Esperance	22.3
<b>September 2010</b>	Malcolm, Marie & Jordan Fenwick - GW & RE Fenwick, Wellstead (3rd award)	23.9
<b>October 2010</b>	Ross & Pauline Taylor - RW & PM Taylor, Lake Grace (2nd award)	23.2
<b>November 2010</b>	Beau & Michele Waddell - Springfield Farm, Newdegate (3rd award)	24.1
<b>December 2010</b>	Todd Quinlivan - Quintarra Farms, Esperance (6th award)	23.5
<b>January 2011</b>	Barry, Sheldon & Trent Kowald - Capemont Farms, Katanning	23.5
<b>February 2011</b>	Peter & Kate Mills - Ikewa Grazing, Mingenew	23.4
<b>March 2011</b>	Rod & Simon Cullam - RD & LZ Cullam, Jerramungup	22.9
<b>April 2011</b>	Brian, Sue & Kim Burrow - BH Burrow & Co., Hyden	24.1
<b>May 2011</b>	Phil & Helle Crossley - PM & HB Crossley, Katanning (2nd award)	22.6
<b>June 2011</b>	George Clark - GA & PM Clark Nominees, Albany	24.5



# CONCISE ANNUAL REPORT

30 JUNE 2011

Chairman's and Chief Executive's Review	2 – 4
Directors' Report	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Cash Flows	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11
Directors' Declaration	12
Auditor's Independence Declaration	14
Independent Auditor's Report	16

This financial report covers the activities of Western Australian Meat Marketing Co-operative Limited, a co-operative limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

1st Floor  
11 Kitchener Avenue  
Burswood WA 6100

# CHAIRMAN'S & CHIEF EXECUTIVE'S REVIEW

The Co-operative bounced back strongly from the tough 2009/10 season. With supply back to reasonable levels we were able to drive some very strong performance from both our lamb and mutton business in the 2010/11 processing season. Our market share continued to be strong in Western Australia and the performance of all sectors of our business produced some of the best results that the Co-operative has ever seen. We were able to drive our processing asset in Katanning effectively and efficiently with strong unit loadings. Members enjoyed the best returns ever seen in the Co-operative's history, and we set new livestock payout records for the third year in a row. We continued to ensure we were competitive across the board on all weights and grades.

Customers overseas continued to pay record prices for lamb and mutton. Given the currency was unfavourable we had to push hard to ensure we could compete with the returns in the domestic market. As well as achieving our targets in the export market we also grew our market share in the domestic market. We continued to focus heavily on extracting the full value from each animal we processed.

The Co-operative recorded a profit before pool bonus of \$3.014 million and, reflecting this impressive financial performance, pool bonus distributions of \$550,000 have been signed off on and will be available to qualifying members this season. This represents an increase in net profit before pool bonus of \$5.926 million on our previous year's loss of \$2.912 million.

The dry winter experienced in Western Australia has had a devastating impact on the sheep and lamb flock. The drought meant there was an inability for many Western Australian farmers to be able to carry sheep and lambs for very long into the spring. Many farmers had to sell breeding ewes and lambs to the East Coast. With the Eastern farmers having one of their best seasons on record they took every opportunity to build their flocks with good Western Australian livestock. The realisation by many farmers that sheep and lamb has a strong future was also a key reason for many of these purchases. Meat and Livestock Australia now estimate the Western Australian flock to be 12.4 million head. This situation is extremely concerning and it will take several years of rebuilding to get the flock back up to the levels where processors and live shippers can be sure of what volumes of stock they have to market. The Co-operative is very fortunate to have invested money back into processing technology and this will keep WAMMCO in a strong position as we head into what will be another very tough season.

The Co-operative again maintained a very competitive schedule of livestock prices over the season and we were competitive with saleyard prices throughout the season.

The strength of the Australian dollar certainly kept the pressure on our management team throughout the season. Marketing continually pushed for price increases so we could continue to offer a top schedule to our members. The average price per head of lamb paid to producers was \$117.06, substantially better than the \$98.89 paid the previous year. Lamb average weights were 21.82 kg (previous year 21.45 kg). We are continuing to strive to assist producers to lift weights of their lambs, but realise it is also very important to set a competitive schedule across the board as well.

Demand for product remained very strong in offshore and local markets and the outlook for lamb producers looks brighter than ever as lamb production worldwide continues to decline and market drivers remain positive.

## FINANCIAL

A pre-tax net profit before pool bonus of \$3.014 million was achieved in 2010/11 versus a \$2.912 million loss 2009/10. A pool bonus of \$550,000 was achieved on a turnover of \$124 million versus \$87 million in 2009/10. The improved turnover was due to the large improvement in the numbers processed and available for sale as well as the strong market prices which acted as a buffer to help offset the strong Australian dollar. Earnings before interest, pool bonus, tax, depreciation and amortisation (EBITDA) of 4.3% was achieved and comes in slightly under our targeted 5%. The Co-operative continues to maintain a strong balance sheet with shareholders funds at year-end of \$23.3 million providing an equity ratio of 56.0%.

## POOL BONUS DISTRIBUTION

The member pool bonus is 3% being made up of one third cash, and two thirds shares. An average bonus of \$3.25/head on qualifying lambs was achieved with a maximum payment of \$5.67/head. 593 members will be paid a bonus, based on 167,296 qualifying lambs.

To maximise their returns it is important members understand how the pool bonus distribution works.

There are two criteria. The first is that the member holds sufficient shares to cover the stock they deliver. Members should purchase one share per head of lamb they expect to deliver. It is still disappointing to see the number of members that only take up the minimum shareholding of 100 shares, which means a maximum of 100 head will qualify for any bonus that may be announced. The second criterion is that the member must pool their stock. Pooled stock is those that are traded over the hooks (weight and fat score) at our weekly schedule.

Members can increase their shareholding by acquiring additional subscription shares which can be deducted from their account sales proceeds.

## MARKETS

Demand and sales for WAMMCO products has been very strong throughout the 2010/11 season. Despite the global downturn experienced in many markets over the past two seasons commodity prices in particular thrust back to some of the highest levels seen, with lamb and mutton in particular producing strong results on the back of this.

The continuing decline in the world sheep and lamb flock has complimented a stronger and more consistent sales programme in the past year. Whilst some markets, particularly Europe, did slow other regions like the Middle East have continued to support strong sales growth. The Middle East market continues to be our biggest market by volume and value.

The WAMMCO lamb brand continues to lead the way for Australian export lamb, and continues to support Western Australian producers with the top end brand that is the envy of our competitors. Our product is always talked about for its high quality, consistency and reliability.

The Lamb Co-operative in North America has improved its overall performance for 2010/11 in comparison to last season. Although



**“The Co-operative continues to add value to your industry and it is absolutely imperative that producers have a strong processor that can deliver year on year performance in domestic and international markets.”**

they had made a profit in 2009/10 it was well below budget. We can confirm that they have been profitable and exceeded their budget for 2010/11. This is very good news for our loyal shareholders as this market is imperative to achieving superior returns for your lambs.

The strength of the Australian dollar again had an impact on trading conditions in 2010/11. We operated throughout the entire season at levels higher than 90 cents to the US dollar but at an average closer to parity with the US dollar. We also had the same issues in the UK and Europe where the British Pound and Euro were substantially weaker against the Australian dollar. This curtailed many opportunities to expand and promote the WAMMCO brand as they were just not viable options for our product in the past season. But as explained earlier market prices helped us offset the pressure of the strong Australian dollar and given that the dollar is at historical highs at the time of writing this report it appears we will have to contend with this important business driver again in the new season.

In review, market demand continues to be strong for WAMMCO product and the immediate problem will be one of lamb supply out of Western Australia. As many of you will know by now we have taken control of New South Wales processor Southern Meats Pty Ltd and they will play a very important market function to help WAMMCO achieve its overall market and business goals over the years ahead.

## OPERATIONS

The Katanning plant performed very well over the 2010/11 season. From the end of September through to the end of November 2010 the plant was on overtime and Saturday morning processing. This helped with our overall financial performance as we were able to protect the profits we made in the first half of the season with a strong focus and consolidation over the second half of the season.

The investment in new technology at the plant really paid dividends. We were able to increase productivity and complexity of cutting specifications to ensure the lamb boning room was producing the best overall product value it possibly could. This is difficult to achieve in a large processing environment and given we handled this with little disruption proves what new technology and people commitment can achieve.

Our Katanning skin department really came of age during the season. The new facility certainly provided WAMMCO with added value on our skins and we also improved the output per person substantially.

We were able to improve our skin returns to producers and this increase in productivity was part of the reason why. Our production and sales teams did a great job in achieving strong returns for the Co-operative.

We continued to improve our management of environmental and energy costs. We have made progress on a number of initiatives that will improve these areas of the business in the short and medium terms. There is a continual focus on both these areas of the business to ensure we comply with all regulatory requirements.

Health and safety also continues to be well managed and WAMMCO has shown continued improvements in this area of the business. The new systems and technology that have been invested in the plant have certainly helped with the reduction in strains and injury. We have a strong safety programme in place and constantly monitor any injuries that may occur. Regular reporting to the Board ensures that the Co-operative focuses on all safety or health issues that may arise in a timely and efficient manner.

The VIAScan technology that drives our WAMMCO Select programme continues to be a very good tool for assessing lamb suitability and quality for the particular world markets we are serving. The additional payments made to producers who achieved the required targets are a key reason for their hard work and focus. The Co-operative paid out an extra \$253,633 or \$5.49/lamb which worked out at \$0.25/kg above our listed schedule. This is a great incentive for top performers and certainly helps the Co-operative achieve the demanding specifications of its worldwide markets.

## OUTLOOK

The Western Australian flock has been reduced to 12.4 million head (MLA) as at June 2011. This has been the result of drought conditions in much of the state through last spring and summer. Many Western Australian producers were forced to sell their capital stock to Eastern producers and processors as feed and water levels ran very low. This presents a huge concern for Western Australian processors and there will need to be strong rebuilding over the next few seasons to avert a major restructure of the Western Australian processing industry. The good news is that the current winter has produced some much needed rain in most parts of the state and given the lambing percentage is looking strong, the right start has been made to the new season.

Processors have a lot of work to do to consolidate their positions in the Western Australian and the Australian Meat Industry in general. In this industry you have to be proactive in protecting your shareholders, staff and general business risk. That is why the Co-operative decided to invest in the Eastern states in July 2011. Given WAMMCO has worked hard to build up a solid and rewarding international processing and marketing business for its members it was prudent to act swiftly and efficiently when the Southern Meats processing and marketing business in Goulburn became available.

The Board see strong potential in New South Wales especially with the rebuilding of the flock that has taken place there in the past three seasons. We see the business complementing WAMMCO to help achieve the goals of the board, management and shareholders of the Co-operative. We have only been processing for a month in the Goulburn facility but can already see some strong benefits by having the processing option on the East Coast.

We are now convinced that the positive returns experienced in the market in the past three seasons will bring a strong turnaround in the sheep and lamb industry and may in fact lead to some growth in numbers in the medium term. We are definitely seeing that happen on the East Coast but believe this will extend to Western Australia as well.

The Co-operative continues to add value to your industry and it is absolutely imperative that producers have a strong processor that can deliver year on year performance in domestic and international markets.

We will continue to focus heavily on driving performance within the Co-operative and the hope is that we will see a strong rebuilding of the sheep and lamb flock in Western Australia from this season on.

Despite the difficulties with sheep and lamb numbers and the challenges these throw up we are confident of being the leader in the Western Australian Lamb Industry for many years to come.

## BOARD

The Board, staff and shareholders were shocked and saddened by the sudden passing of Mick Quinlivan only a few weeks after his retirement from the WAMMCO Board. Mick, who was an Interim and Foundation Director of WAMMCO, made a significant contribution to the establishment of the Co-operative and was passionate about its function and success and did everything in his power to ensure that it served the WA sheep industry in the best possible way.



The Board and staff extend their deepest sympathy to Mick's family.

The Board welcomed Mr Tony Boyle as the new Director replacing the seat of retiring Director Mick Quinlivan. Tony, who has spent his life working in agriculture and in particular the sheep industry brings a wealth of knowledge and experience to the Board and we look forward to working with him in the years to come.

The close of business on the 1 July 2011 saw Coll MacRury retire from the position of CEO of WAMMCO. Coll has made a major contribution to the progress of WAMMCO in the relative short time that he was in that position. Coll's very professional approach to all aspects of the business has set it up for a very strong future. We have been fortunate to be able to maintain the services of Coll as Managing Director of our new venture, Southern Meats Pty Ltd at Goulburn in NSW. We are confident that with Coll's vast experience and skills he will turn the Goulburn venture into a very sound business that can only benefit our shareholders.

The CEO position at WAMMCO has been taken over by Scott Weir from New Zealand. Scott comes to that position with good credentials and the Board and Staff look forward to working with him in that role.

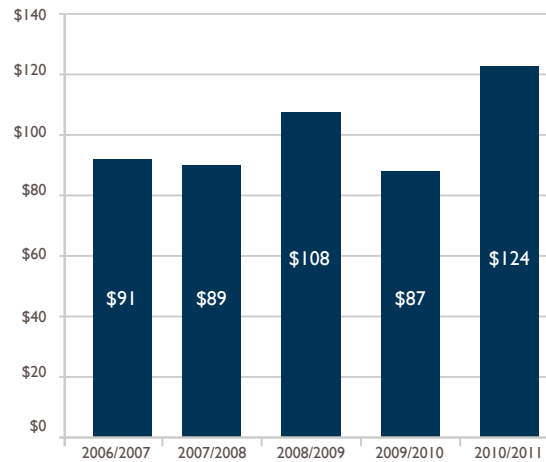
As Chairman of the Board I would like to thank my fellow Directors for their continued loyal support and efforts over the last 12 months to continue the development and prosperity of our Co-operative.

A lot of time and thought has gone into planning the expansion into NSW as a venture that will complement the Western Australian operation and the skills and dedication of the Directors enabled us to achieve what I believe will be a significant move in the future of the Co-operative.

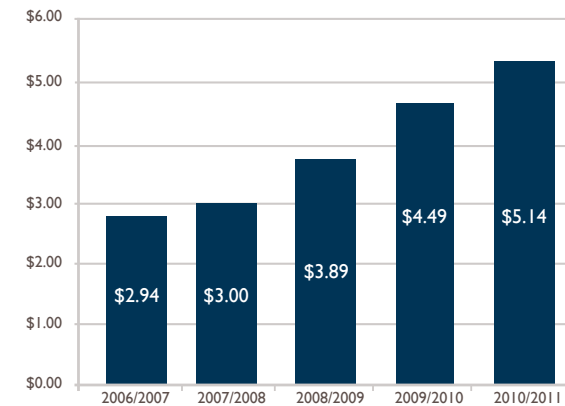
I would like to thank Coll MacRury on behalf of the Board for his leadership and the direction he has taken the business and look forward to working with him in his new role at Goulburn.

Also to Company Secretary and Chief Financial Officer Bruce Ede, thank you for the continued loyal and dedicated support that you provide in your roles.

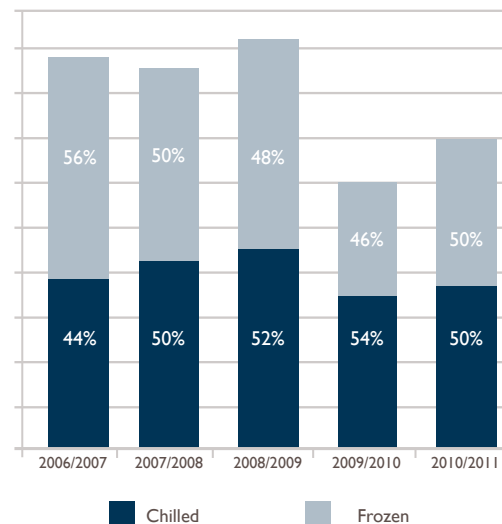
**TURNOVER**  
(\$ millions)



**AVERAGE RETURNS TO PRODUCERS - LAMB (\$/kg)**



**TOTAL WAMMCO LAMB SALES - TONNES**



## PEOPLE/ACKNOWLEDGEMENTS

To all our loyal hardworking staff thanks for your efforts again this year. We have produced a wonderful result that we can all be proud of. But as we all know in meat processing you continually have to focus on the situation at hand and given that most seasons are different the same level of commitment will be needed this coming season. I know we have a top team at WAMMCO and I am confident that the Co-operative is in a very strong position going forward.

Also to the Executive, who have shown great commitment throughout what has been a tough and yet very successful year with some great results being achieved. This has set the Co-operative up well for the future.

Finally, without committed active producer members the Co-operative would not be near as effective as it is and I acknowledge every member who continues to share and support our vision for a successful and sustainable sheepmeat industry in Western Australia.

*D.S. Bradford*

D.S. BRADFORD  
Chairman

*C.R. MacRury*

C.R. MACRURY  
Chief Executive

15 August 2011  
Perth WA



“Our product is always talked about for its high quality, consistency and reliability.”



## THE BOARD AND EXECUTIVE STAFF OF WAMMCO

From Left to Right: Gerard O'Brien (Independent Director), Tony Boyle (Producer Director), Craig Heggaton (Producer Director), Coll MacRury (Chief Executive), Bruce Ede (Chief Financial Officer/Company Secretary), Dawson Bradford (Chairman/Producer Director), Rod Madden (Independent Director), Kim Hutchinson (Independent Director).

# DIRECTORS' REPORT

Your Directors present their report on the Co-operative for the year to 30 June 2011.

## DIRECTORS

The following persons were directors of the Co-operative during the whole of the financial year and up to the date of this report:

Dawson S. Bradford (Chairman)  
Craig V. Heggaton  
Kimbley J. Hutchinson  
Gerard D. O'Brien  
Rodney G. Madden  
Leonard M. Quinlivan retired on 27 October 2010, and Anthony S. Boyle was appointed in his place on the same date.

## PRINCIPAL ACTIVITIES

The Co-operative's principal continuing activities during the year consisted of meat and meat product manufacturing and marketing.

## REVIEW OF OPERATIONS

The results reflected in the statement of comprehensive income on page 7 are due to:

- (a) increased returns per head due to higher selling prices, despite the increase in livestock prices;
- (b) increased throughput due to:
  - (i) the plant only being closed for two weeks as opposed to the six week closure of the plant the previous year for the refit of the boning room; and
  - (ii) improved lambing percentages experienced throughout the State; and
- (c) rising input costs.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the Co-operative's state of affairs during the financial year are discussed in the review of operations.

## SHARE CAPITAL AND DIVIDENDS

An additional 14,399 shares were issued to lamb producers during the year, with 446,969 shares being redeemed. We now have 2,076 members holding 5,840,446 shares. There are a further 378,935

shares still held by the WAMMCO Equitisation Trust that will be bought back by the Co-operative.

The Directors have recommended that no dividend be paid for this financial year.

## SUBSEQUENT EVENTS

On 4 July 2011 the Co-operative entered into an agreement to manage the operations of Southern Meats Pty Ltd, with an option to purchase the shares in this company. This company owns the abattoir in Goulburn, NSW. Other than this no matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- (a) the Co-operative's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Co-operative's state of affairs in future financial years.

## LIKELY DEVELOPMENT AND EXPECTED RESULTS OF OPERATION

Comments on expected results of certain of the Co-operative's operations are included in this report under the review of operations. Further information on likely developments in the Co-operative's operations and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Co-operative.

## INSURANCE OF OFFICERS

During the financial year, the Co-operative paid a premium to insure the directors, secretary and senior managers of the Co-operative. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Co-operative.

## ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars.

## AUDITOR

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

BDO Audit (WA) Pty Ltd continues in office in accordance with section 137 of the Companies (Co-operative) Act 1943.

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



D.S. BRADFORD  
Director

15 August 2011  
Perth WA



K.J. HUTCHINSON  
Director



WAMMCO wins 'Business of the Year' in the 2011 PwC Food and Beverage Industry Awards

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

		Consolidated 2011	Consolidated 2010
	Note	\$'000	\$'000
<b>Revenue from continuing operations</b>	2	124,176	87,218
Changes in inventories of finished goods		466	1,006
Raw materials and consumables used		(91,354)	(64,776)
Employee benefits expense		(19,401)	(16,931)
Energy and water expense		(2,493)	(2,119)
Pool bonus to qualifying producers		(550)	-
Depreciation and amortisation expense		(1,884)	(1,850)
Finance costs		(396)	(466)
Other expenses		(6,100)	(4,994)
<b>Profit / (loss) before income tax from continuing operations</b>		2,464	(2,912)
Income tax expense		(662)	1,384
<b>Profit / (loss) for the year</b>		1,802	(1,528)
Comprehensive Income:			
Depreciation of revalued assets (net of income tax)		289	265
<b>Total comprehensive income / (loss) for the year attributable to members</b>		2,091	(1,263)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

The profit of \$2.091 million recorded in the year is largely attributable to:

- (a) higher revenues received;
- (b) improved throughput due to:
  - (i) the plant only being closed for two weeks as opposed to the six week closure of the plant the previous year for the refit of the boning room; and
  - (ii) improved lambing percentages experienced throughout the State; and
- (c) rising input costs.



# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Consolidated 2011	Consolidated 2010
	\$'000	\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,206	1,096
Trade and other receivables	7,291	8,320
Inventories	7,398	6,843
Other current assets	1,577	18
<i>Total current assets</i>	<b>20,472</b>	16,277
<b>Non-current assets</b>		
Property, plant and equipment	17,537	18,582
Financial assets	695	870
Deferred tax asset	1,508	2,399
Intangible assets	1,337	1,378
<i>Total non-current assets</i>	<b>21,077</b>	23,229
<b>Total assets</b>	<b>41,549</b>	39,506
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	9,472	8,844
Short-term borrowings	323	260
Provisions	1,432	1,181
<i>Total current liabilities</i>	<b>11,227</b>	10,285
<b>Non-current liabilities</b>		
Long-term borrowings	5,263	5,387
Provisions	60	216
Deferred tax liability	1,716	1,915
<i>Total non-current liabilities</i>	<b>7,039</b>	7,518
<b>Total liabilities</b>	<b>18,266</b>	17,803
<b>NET ASSETS</b>	<b>23,283</b>	21,703
<b>EQUITY</b>		
Issued capital	14,174	14,396
Reserves	1,052	1,341
Retained earnings	8,057	5,966
<b>TOTAL EQUITY</b>	<b>23,283</b>	21,703

## ASSETS

Cash has increased due to the cash inflows highlighted in the Cash Flow Statement.

Other current assets have increased due to a deposit paid in relation to the Southern Meats Pty Ltd agreement.

## EQUITY

Refer to Statement of Changes in Equity on page 10.



The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Consolidated 2011	Consolidated 2010
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	134,538	93,747
Cash paid to suppliers and employees	(130,143)	(97,971)
Interest received	161	133
Other revenue	-	107
Finance costs	(396)	(466)
Income tax paid	37	(50)
<b>Net cash provided by / (used in) operating activities</b>	<b>4,197</b>	<b>(4,500)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(782)	(2,491)
Proceeds from the sale of non current assets	-	32
Purchase of EU quota	(23)	-
<b>Net cash used in investing activities</b>	<b>(805)</b>	<b>(2,459)</b>
<b>Cash flows from financing activities</b>		
(Repayment of)/proceeds from issue of shares	(222)	253
Repayment of borrowings	(60)	(342)
<b>Net cash used in financing activities</b>	<b>(282)</b>	<b>(89)</b>
Net increase / (decrease) in cash held	3,110	(7,048)
Cash at beginning of period	1,096	8,144
<b>Cash at end of year</b>	<b>4,206</b>	<b>1,096</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## CASH FLOWS FROM OPERATING ACTIVITIES

The cash inflow from operating activities is mostly due to profits of \$4.3 million (excluding taxation, depreciation and amortisation).

## CASH FLOWS FROM INVESTING ACTIVITIES

The cash outflow resulted from the acquisition of property, plant and equipment, the most significant being the final stage of the refit of the boning room.

## CASH FLOWS FROM FINANCING ACTIVITIES

The cash outflow is mostly due to the redemption of shares.



# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Share Capital	Retained Earnings	Asset Revaluation	Total Equity
	\$'000	\$'000	\$'000	\$'000
At 1 July 2009	14,143	7,229	1,606	22,978
Comprehensive income revaluation increment/ (decrement)	-	265	(265)	-
Net income recognised directly in equity	-	265	(265)	-
Loss for the year	-	(1,528)	-	(1,528)
Total comprehensive income for the year	-	(1,263)	(265)	(1,528)
Transactions with owners in their capacity as owners:				
- Shares issued during the year	387	-	-	387
- Shares redeemed during the year	(134)	-	-	(134)
At 30 June 2010	14,396	5,966	1,341	21,703
Comprehensive income revaluation increment/ (decrement)	-	<b>289</b>	<b>(289)</b>	-
Net income recognised directly in equity	-	<b>289</b>	<b>(289)</b>	-
Profit for the year	-	<b>1,802</b>	-	<b>1,802</b>
Total comprehensive profit for the year	-	<b>2,091</b>	<b>(289)</b>	<b>1,802</b>
Transactions with owners in their capacity as owners:				
- Shares issued during the year	<b>14</b>	-	-	<b>14</b>
- Shares redeemed during the year	<b>(236)</b>	-	-	<b>(236)</b>
<b>At 30 June 2011</b>	<b>14,174</b>	<b>8,057</b>	<b>1,052</b>	<b>23,283</b>

Member equity has increased due to the current year profits reflected in the income statement.



# NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011

## NOTE 1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

This concise financial report is an extract for the full financial report for the year ended 30 June 2011. The concise financial report has been prepared in accordance with Accounting Standards AASB 1039: Concise Financial Reports and the Companies (Co-operative) Act 1943 (as amended).

The financial statements, specific disclosures and other information included in this concise financial report are derived from and are consistent with the full financial report of Western Australian Meat Marketing Co-operative Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Western Australian Meat Marketing Co-operative Limited as the full financial report.

The financial report of Western Australian Meat Marketing Co-operative Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

## NOTE 2. SALES REVENUE

	Consolidated 2011	Consolidated 2010
	\$'000	\$'000
Sales revenue included in revenue from ordinary activities	124,011	86,976

## NOTE 3. EVENTS AFTER BALANCE SHEET DATE

On 4 July 2011 the Co-operative entered into an agreement to manage the operations of Southern Meats Pty Ltd, with an option to purchase the shares in this company. This company owns the abattoir in Goulburn, NSW. Other than this no matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- (a) the Co-operative's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Co-operative's state of affairs in future financial years.



# DIRECTORS' DECLARATION

The Directors declare that, in their opinion:

- (i) the financial statements and notes set out on pages 7 to 11:
  - (a) comply with Accounting Standards, the Companies (Co-operative) Act 1943 (as amended) and other mandatory professional reporting requirements; and
  - (b) give a true and correct view of the Co-operative's financial position as at 30 June 2011 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.
- (ii) at the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due.
- (iii) the Consolidated entity has included in the notes to the full financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

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



D.S. BRADFORD  
Director

15 August 2011  
Perth WA



K.J. HUTCHINSON  
Director





“The good news is that the current winter has produced some much needed rain in most parts of the state and given the lambing percentage is looking strong, the right start has been made to the new season.”

# AUDITOR'S INDEPENDENCE DECLARATION



Tel: +8 6382 4600  
Fax: +8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

15 August 2011

The Directors  
Western Australian Meat Marketing Co-operative Limited  
1st Floor  
11 Kitchener Avenue  
Burswood WA 6100

Dear Sirs

## DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF WESTERN AUSTRALIAN MEAT MARKETING CO-OPERATIVE LIMITED

As lead auditor of the Western Australian Meat Marketing Co-operative Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Western Australian Meat Marketing Co-operative Limited and the entities it controlled during the period.

Glyn O'Brien  
Director

BDO Audit (WA) Pty Ltd  
Perth, Western Australia.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77050110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



# INDEPENDENT AUDITOR'S REPORT



Tel: +8 6382 4600  
Fax: +8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTERN AUSTRALIAN MEAT MARKETING CO-OPERATIVE LIMITED

### Report on the Financial Report

We have audited the accompanying concise financial report of Western Australian Meat Marketing Co-operative Limited, which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and related notes derived from the audited financial report of Western Australian Meat Marketing Co-Operative Limited for the year ended 30 June 2011. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### Directors' Responsibility for the Concise Financial Report

The directors of the company are responsible for the preparation and fair presentation of the concise financial report in accordance with Australian Accounting Standards AASB 1039 Concise Financial Reports and the Companies (Co-operative) Act 1943. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the concise 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 concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Western Australia Meat Marketing Co-Operative Limited for the year ended 30 June 2011. Our audit report on the financial report for the year was signed on 15th August 2011 and was not subject to any modification. The Australian 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 for the year is free from material misstatement.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77050110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



# INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Tel: +8 6382 4600  
Fax: +8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

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 the applicable code of conduct and would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

## Auditor's Opinion

In our opinion, the concise financial report of Western Australia Meat Marketing Co-Operative Limited for the year ended 30 June 2011 complies with Accounting Standard AASB 1039 Concise Financial Reports.

## BDO Audit (WA) Pty Ltd

**Glyn O'Brien**  
Director

Perth, Western Australia  
Dated this 15th day of August 2011

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77050110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



## THE BOARD AS AT 30 JUNE 2011, WERE AS FOLLOWS

<b>Dawson Bradford</b>	Chairman/Producer Director	Narrogin
<b>Tony Boyle</b>	Producer Director	York
<b>Craig Heggaton</b>	Producer Director	Kojonup
<b>Kim Hutchinson</b>	Independent Director	Perth
<b>Rod Madden</b>	Independent Director	Morawa
<b>Gerard O'Brien</b>	Independent Director	Jennacubine

## WAMMCO STAFF AS AT 30 JUNE 2011, WERE AS FOLLOWS

<b>Coll MacRury</b>	Chief Executive	<b>Alex Hamlin</b>	Supervisor - Support Departments
<b>Nigel Aitken</b>	OSH Co-ordinator	<b>Gary Hunter</b>	Boning Room Supervisor
<b>Rose Armstrong</b>	Livestock Officer	<b>Lalit Kapur</b>	Finance & Accounts Manager
<b>Albert Baker</b>	Senior Marketing Executive, Meat & Skins	<b>Cecil Kells</b>	Slaughter Floor Superintendent
<b>Anthony Bessell</b>	Plant Manager	<b>Nigel Kemp</b>	Afternoon Shift Supervisor
<b>Aaron Boyd</b>	Maintenance Supervisor	<b>Peter Krupa</b>	Livestock Manager
<b>Ian Brown</b>	I.T. Manager	<b>Stuart Mahon</b>	Plant Engineer
<b>Judy Cameron</b>	Administration Manager	<b>Tanya Mellors</b>	Receptionist
<b>Sue Cassidy</b>	Payroll/Office Administrator	<b>Rodney Nicholson</b>	Boning Room Supervisor
<b>Brendam Chia</b>	QA Manager	<b>Robert Panting</b>	Production Manager
<b>Fiona Clay</b>	Booking Officer	<b>Wayne Radford</b>	Livestock Representative
<b>Rob Davidson</b>	Supply Development Manager	<b>Odetta Robertson</b>	Employee Services Officer
<b>Bruce Ede</b>	Chief Financial Officer/Company Secretary	<b>Zbigniew Soltysiak</b>	Freezer/Loadout Supervisor
<b>James Ferguson</b>	Lairage Supervisor	<b>Adam Tainui</b>	Boning Room Superintendent
<b>Keesh Garretson</b>	Stores Officer	<b>Marilyn Tostevin</b>	Accounts Co-ordinator
<b>Damien Giumelli</b>	Marketing Manager	<b>Ron Whyte</b>	Assistant Marketing Executive
<b>Jim Gracie</b>	Skins Supervisor		

## WESTERN AUSTRALIAN MEAT MARKETING CO-OPERATIVE LIMITED

### KATANNING PROCESSING PLANT

GREAT SOUTHERN HIGHWAY, KATANNING WA 6317

PO BOX 703, KATANNING, WA 6317

PH +61 8 9821 2000

FAX +61 8 9821 2731

### PERTH OFFICE

1ST FLOOR, 11 KITCHENER AVENUE, BURSWOOD WA 6100

PO BOX 4059, VICTORIA PARK, WA 6979

PH +61 8 9262 0999

FAX +61 8 9355 0962

INFO@WAMMCO.COM.AU  
WWW.WAMMCO.COM.AU