

## ASVO Presidents Report – November 3<sup>rd</sup> 2010

I'd like to start out by saying that negotiations with WFA (and AWBC) have progressed to a point where we have an agreed MOU in place, and have started the slow transition process across to the Wine Industry Centre. I have been encouraged by the support from WFA in terms working to maintain a functional ASVO. WFA only appear to want access to our membership database and a seat on the Board (and AWITC Board), which I don't think is a bad thing when it comes to negotiations with AWRI around AWITC matters. Most importantly with only one seat they won't control directions in which ASVO and AWRI want to take the AWITC.

I'd like to thank Board members who were involved in the recent phone around of ASVO members who had yet to rejoin, in particular Geoff McCorkelle and Paul Petrie whose efforts certainly have resulted in a surge, albeit small, in rejoining members. For those Board members who have yet to complete their phone arounds, I would like to encourage you to do so, as every member certainly helps.

This Board meeting will be the second last meeting that we have Deb Robinson involved. As you know Deb has resigned (last day is Friday 3<sup>rd</sup> December), but I was made aware on Monday 25<sup>th</sup> October that Christina Ursini has now also resigned. Christina has decided to go and work with her husband in his new business enterprise. Christina's resignation will have an immediate impact on Vlad and the AJGWR and we need to manage this carefully moving forward. At the Board meeting we will need to make some decisions regarding the future staffing of ASVO. Deb has prepared a options paper which we will discuss. Also, we will look to arrange a farewell lunch/dinner for both Deb and Christina to say thanks and wish both the best for the future.

The joint ASVO/AAVWS Alternative varieties seminar is almost upon us (Friday 5<sup>th</sup> Nov). Enrolments to date have been slow (as at Tuesday 26<sup>th</sup> October total was 84). This appears low, but I am optimistic that number would increase significantly leading up to the actual event. For ASVO Board members I encourage you strongly to keep promoting the event strongly throughout your networks and I also hope to see you there on the day.

Alan Nankivell from the Phylloxera and Grape Industry Board of South Australia (PGIBSA) has offered ASVO Directors/Board members an opportunity to participate in a planned PGIBSA Directors training (short-course) day. This date has yet to be confirmed but Alan has offered ASVO Board members to join this session if they wish. Hopefully I will have a date, time and location by the time of our ASVO Board meeting.

Finally, a plea, given our precarious financial situation, lack of staff etc, its even more important for us as Board members/Directors to be aware of our obligations. At the Board meeting on the 3<sup>rd</sup> of November we need to assign responsibilities and accountabilities for ASVO functions back to specific Board members to ensure it continues to function. Please be ready to step-up and help out.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN SOCIETY OF VITICULTURE  
AND OENOLOGY.**

**Scope**

The special purpose financial report and committee's responsibility

The special purpose financial report comprises the Profit and Loss Statement, Balance Sheet, and accompanying notes to the financial statements of The Australian Society of Viticulture and Oenology Inc. ('Association') for the year ended 30 June 2010.

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 Associations Incorporation Act (SA) 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 special purpose 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 (SA) and Constitution. 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.

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 disclosures used and the reasonableness of significant accounting estimates made 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 and ethical pronouncements.

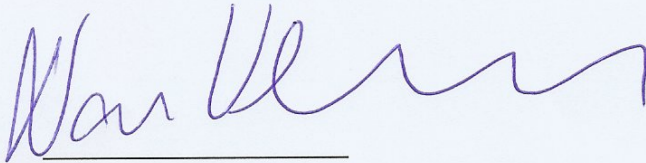


- 2 -

**Audit Opinion**

In our opinion, the financial report of The Australian Society of Viticulture and Oenology Inc. presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, of the financial position of The Australian Society of Viticulture and Oenology Inc. as at 30 June 2010 and the results of its operations for the year then ended.

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**



**DON VENN – F C A  
PARTNER**

DATED at NORTH ADELAIDE this 1st day of October 2010

**AUSTRALIAN SOCIETY OF VITICULTURE AND OENOLOGY INC**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2010**


<b>Page</b>	<b>Item</b>
1	Statement by the Executive Board
2	Balance Sheet
3	Statement of Income & Expenditure
4	Notes to and Forming Part of the Accounts
5	Independent Audit Report

AUSTRALIAN SOCIETY OF VITICULTURE AND OENOLOGY INC

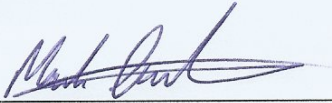
STATEMENT BY THE EXECUTIVE BOARD

- (i) In the opinion of the Executive Board the accompanying financial report, as set out on pages 2 to 5:
- (a) Present fairly the financial position of the Society as at 30 June 2010 and the loss for the year then ended; and
  - (b) Have been prepared and presented in accordance with applicable Australian Accounting Standards.
- (ii) The Executive Board has reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.
- (iii) The Executive Board hereby states that during the year ended 30 June 2010:
- (a)
    - (i) no firm of which an Executive Board member is a member; and
    - (ii) no body corporate in which an Executive Board member has a substantial financial interesthas received, or become entitled to receive a benefit as a result of a contract between the Executive Board member, firm or body corporate and the Society; and
  - (b) The Executive Director of the Society, who is a member of the Executive Board has received directly from the Society, a salary in accordance with a negotiated contract.

The above statement is made in accordance with a resolution of the Executive Board and is signed for and on behalf of the Executive Board by:



Mark Krstic  
President



Mark Gishen  
Treasurer

Dated this 29<sup>th</sup> day of SEPTEMBER 2010.

**AUSTRALIAN SOCIETY OF VITICULTURE AND OENOLOGY INC**

**BALANCE SHEET**

**AS AT 30 JUNE 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>MEMBERS' FUNDS</b>		
Opening Balance	102,464	223,237
Operating Surplus (Deficit)	(76,703)	(120,773)
Voluntary Levies	7,573	
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<b>TOTAL ACCUMULATED FUNDS</b>	<b>33,334</b>	<b>102,464</b>
Represented by:		
<b>Current Assets</b>		
Cash on hand	100	100
Cash at bank	123,769	114,449
Term deposit	0	100,000
Trade Debtors	49,056	5,178
Sundry Debtors	0	1,494
Prepayments	12,140	15,020
GST Input Tax	-	-
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<b>TOTAL CURRENT ASSETS</b>	<b>185,065</b>	<b>236,241</b>
<b>Non-Current Assets</b>		
Furniture & Office Equipment – at written down value	16,215	11,187
Equity Reserve	7,573	0
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<b>TOTAL NON-CURRENT ASSETS</b>	<b>23,788</b>	<b>11,187</b>
<b>TOTAL ASSETS</b>	<b>208,853</b>	<b>247,428</b>
<b>Current Liabilities</b>		
Trade Creditors	1,002	2,326
Creditors - Other	17,327	7,376
Income Received in Advance	128,664	126,923
Provision for Leave	2,907	7,794
Payroll liabilities	10,216	-
GST Output Tax	15,405	545
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<b>TOTAL CURRENT LIABILITIES</b>	<b>175,520</b>	<b>144,964</b>
<b>TOTAL LIABILITIES</b>	<b>175,520</b>	<b>144,964</b>
<b>NET ASSETS</b>	<b>33,334</b>	<b>102,464</b>

**AUSTRALIAN SOCIETY OF VITICULTURE AND OENOLOGY INC**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2010**

<b>INCOME</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Aroma Kits	-	3,823
Interest	2,356	15,403
Membership Fees	175,329	178,968
Voluntary Levy	7,572	-
AJGWR	14,213	12,350
MOG Posters	1,334	984
Proceedings	4,812	3,335
Wine Show Auditing	-	9,617
Events	116,648	66,239
Secretariat services	3,321	130,410
WISA	3,341	7,499
Wine Tasting Kits	2,771	1,181
Sponsorship	48,897	13,560
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<b>TOTAL INCOME</b>	<b>380,594</b>	<b>443,370</b>
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<b>LESS EXPENDITURE</b>		
Advertising	2,740	5,401
Aroma Kits	-	1,382
AWITC	-	33
Audit and Accounting Fees	750	4,000
Bank Charges	6,403	6,524
Catering	25,266	5,481
Cleaning	1,418	1,595
Consultancy	12,178	18,402
Depreciation	12,582	10,350
Electricity	1,485	1,494
Events	41,412	98,336
Gifts	-	273
Insurance	4,301	2,783
IT Services	14,958	8,713
Legal Fees	48	3,096
Meeting Expenses		2,837
Newsletter	1,350	5,122
Postage, Fax/Phone, Printing/Stationery	39,714	35,545
Provision for Leave	-4,721	1,347
Repairs and Maintenance	85	637
Rent	23,164	20,322
Salaries	123,510	169,309
Salary On-costs	15,201	16,546
Salaries – labour hire	4,476	2,815
Scholarship	-	1,818
Wine Show Auditing	1,277	9,767
Staff Amenities	397	997
Staff Development and Training	6,905	7,046
Board Development and Training	2,449	468
Sponsorship	2,899	5,364
Subscriptions	1,073	1,592
Sundry Expenses		1,961
Travel	27,232	21,193
AJGWR	73,845	87,319
Website Maintenance	4,414	923
Wine Tasting Kits	2,179	2,382
Wine	8,307	970
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<b>TOTAL EXPENDITURE</b>	<b>457,297</b>	<b>564,143</b>
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<b>SURPLUS (DEFICIT)</b>	<b>(76,703)</b>	<b>(120,773)</b>
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**AUSTRALIAN SOCIETY OF VITICULTURE AND OENOLOGY INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The Executive Board of the Association has determined that the Association is not a reporting entity. Accordingly, this financial report is a special purpose financial report which has been prepared solely to meet the reporting obligations of the Executive Board and the limited information needs of the Association's members.

(a) The financial statements have been prepared in accordance with the following Australian Accounting Standards:

AASB 1031 Materiality  
AASB 110 Events After The Balance Sheet Date.

No other Australian accounting standards and other mandatory professional reporting requirements have been applied, although measurement and valuation criteria embodied in the generally accepted accounting framework have been acknowledged.

(b) The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, unless otherwise stated, current valuations of non-current assets. The accounting policies adopted in preparing this financial report are consistent with those of the previous years.

(c) No income tax is payable by the Association as it is a tax exempt body under the *Income Tax Assessment Act, 1936*, as amended.

Accounting policies have been consistently applied.