

**RESTAURANT
& CATERING**
VICTORIA

Restaurant & Catering Victoria

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7 April 2003

Industrial Registrar
Australian Industrial Registry
Level 35
Nauru House
80 Collins Street
MELBOURNE VIC 3000

Dear Sir/Madam,

**Re: Lodgement of Accounts and Auditor's Report
Restaurant and Catering Association of Victoria**

Please find enclosed a copy of the Restaurant and Catering Association of Victoria Financial Statements and Auditor's Report for the Year Ended 31 December 2002 as required by sub-section 280 (1) (a) (b) of the Workplace Relations Act (1996).

These reports are copies of those that were presented to the Annual General Meeting of the Restaurant and Catering Association of Victoria on 25 March 2003. They were subsequently moved and accepted at the meeting.

Please note that since the position of Treasurer has remained unfilled due to lack of nominations in 2002, both the President and one Vice-President of the Association have signed the Financial Reports. The position of Treasurer has since been filled at the 2003 elections.

Please do not hesitate to contact our Director, Wendy Jones on 9654 5866 should you require any additional information or clarification.

Yours sincerely

Dur-e Dara OAM
President



Hayes Knight

**Restaurant & Catering Association of
Victoria**

Year Ended 31 December 2002

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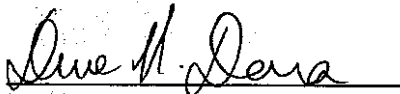
RESTAURANT AND CATERING ASSOCIATION OF VICTORIA

STATEMENT OF THE EXECUTIVE COUNCIL


In accordance with a resolution of the Committee of Management we state that in the opinion of the Executive Council:

- (a) the Statement of Financial Performance gives a true and fair view of the results of the Association for the year ended 31 December, 2002;
- (b) the Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Association as at the end of the financial year;
- (c) The Statement of Cashflows gives a true and fair view of the Association for the financial year;
- (d) during the financial year to which the accounts relate, meetings of the Executive Council were held in accordance with the rules of the Association;
- (e) to the knowledge and belief of all the members of the Executive Council there have been no instances where records of the Association, or copies of the rules of the Association that should be made available have been withheld from members; and
- (f) the Association has in relation to the Auditor's Report on the accounts and statements in respect of the immediately preceding year, complied with the provisions of sec 279(1) and 279(6) of the *Workplace Relations Act 1996*.

Signed on behalf of the Executive Council



DUR-E DARA
PRESIDENT



ROSLYN HARVEY
VICE PRESIDENT

Signed at Melbourne this 17 day of February 2003.

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA

ACCOUNTING OFFICER'S CERTIFICATE

I, Wendy Jones, being the Officer responsible for keeping the accounting records of The Restaurant and Catering Association of Victoria, certify that as at 31 December 2002, the number of members of the association was 266 and the number of subscribers of the organisation was 465 (total members & subscribers – 731, last year - 704).

In our opinion:-

- i) the attached accounts show a true and fair view of the financial affairs of the Association as at 31 December, 2002.
- ii) a record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Association;
- iii) before any expenditure was incurred by the organisation approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
- iv) with regards to funds of the Association raised by compulsory fees or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- v) no loans or other financial benefits, other than remuneration's in respect of their full-time employment with the Association, were made to persons holding office in the Association;
- vi) the register of members of the Association was maintained in accordance with the *Workplace Relations Act 1996*.
- vii) the attached accounts have been prepared in accordance with Statements of Accounting Concepts and applicable Australian Accounting Standards to the extent indicated in Note 1 to the financial statements.

Signed at Melbourne this 17 day of February, 2003



DUR-E DARA
PRESIDENT

RESTAURANT & CATERING OF VICTORIA

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	Economic Entity		Parent Entity	
		2002 \$	2001 \$	2002 \$	2001 \$
Revenue from ordinary activities		944,601	1,128,866	365,320	401,220
Employee benefits expense		(216,905)	(196,871)	(147,658)	(139,678)
Depreciation and amortisation expenses		(14,957)	(18,556)	(3,052)	(3,943)
Lease expenses		(5,096)	(5,068)	(5,096)	(5,068)
Other expenses from ordinary activities		(665,006)	(928,799)	(195,003)	(272,155)
Borrowing costs expense		(361)	(229)	-	-
Profit from ordinary activities before income tax expense (income tax revenue)		42,276	(20,657)	14,511	(19,624)
Income tax revenue (income tax expense) relating to ordinary activities		-	-	-	-
Profit from ordinary activities after related income tax expense (income tax revenue)		<u>42,276</u>	<u>(20,657)</u>	<u>14,511</u>	<u>(19,624)</u>
Net profit attributable to outside equity interests		11,106	(2,066)	-	-
Profit from ordinary activities after related income tax expense (income tax revenue)		<u>31,170</u>	<u>(18,591)</u>	<u>14,511</u>	<u>(19,624)</u>

RESTAURANT & CATERING OF VICTORIA

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2002

	Note	Economic Entity		Parent Entity	
		2002	2001	2002	2001
		\$	\$	\$	\$
CURRENT ASSETS					
Cash assets		31,902	38,290	13,472	22,432
Receivables	3	66,176	58,456	6,570	4,712
Inventories		1,750	-	-	-
Other	4	925	-	-	-
TOTAL CURRENT ASSETS		<u>100,753</u>	<u>96,746</u>	<u>20,042</u>	<u>27,144</u>
NON-CURRENT ASSETS					
Receivables	3	18,603	17,902	104,429	103,728
Property, plant and equipment	5	26,645	41,602	4,931	7,983
TOTAL NON-CURRENT ASSETS		<u>45,248</u>	<u>59,504</u>	<u>109,360</u>	<u>111,711</u>
TOTAL ASSETS		<u>146,001</u>	<u>156,250</u>	<u>129,402</u>	<u>138,855</u>
CURRENT LIABILITIES					
Payables	6	126,262	176,597	73,874	83,001
Provisions	7	7,959	12,257	4,920	12,257
Other		9,996	7,888	15,388	22,888
TOTAL CURRENT LIABILITIES		<u>144,217</u>	<u>196,742</u>	<u>94,182</u>	<u>118,146</u>
NON-CURRENT LIABILITIES					
Other		7,440	7,440	7,440	7,440
TOTAL NON-CURRENT LIABILITIES		<u>7,440</u>	<u>7,440</u>	<u>7,440</u>	<u>7,440</u>
TOTAL LIABILITIES		<u>151,657</u>	<u>204,182</u>	<u>101,622</u>	<u>125,586</u>
NET ASSETS		<u>(5,656)</u>	<u>(47,932)</u>	<u>27,780</u>	<u>13,269</u>
EQUITY					
Contributed equity		60	90	-	-
Accumulated losses	8	(10,734)	(41,901)	27,780	13,269
PARENT EQUITY INTEREST		<u>(10,674)</u>	<u>(41,811)</u>	<u>27,780</u>	<u>13,269</u>
Outside equity interest	9	5,018	(6,121)	-	-
TOTAL EQUITY		<u>(5,656)</u>	<u>(47,932)</u>	<u>27,780</u>	<u>13,269</u>

The accompanying notes form part of these financial statements.

RESTAURANT & CATERING OF VICTORIA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	Economic Entity		Parent Entity	
		2002	2001	2002	2001
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from members		232,204	231,230	232,204	231,230
Other receipts		779,722	883,760	157,005	188,442
Payments to suppliers and employees		(1,018,437)	(1,142,287)	(390,753)	(457,457)
Interest received		123	2,389	84	1,153
Net cash used in operating activities	12 (b)	<u>(6,388)</u>	<u>(24,908)</u>	<u>(1,460)</u>	<u>(36,632)</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Payment for property, plant and equipment		-	(6,138)	-	-
Net cash used in investing activities		<u>-</u>	<u>(6,138)</u>	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		-	7,889	-	27,889
Repayment of borrowings		-	-	(7,500)	-
Net cash provided by financing activities		<u>-</u>	<u>7,889</u>	<u>(7,500)</u>	<u>27,889</u>
Net decrease in cash held		(6,388)	(23,157)	(8,960)	(8,743)
Cash at beginning of financial year		<u>38,290</u>	61,447	<u>22,432</u>	31,175
Cash at end of financial year	12 (a)	<u>31,902</u>	38,290	<u>13,472</u>	22,432

The accompanying notes form part of these financial statements.

RESTAURANT & CATERING OF VICTORIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special-purpose report that has been prepared in accordance with the Workplace Relations Act 1996 applicable Accounting Standards and other mandatory professional reporting requirements. The financial report has been prepared on an accruals basis and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation and presentation of the financial report:

(a) Principles of Consolidations

A controlled entity is any entity controlled by R&C VIC. Control exists where R&C VIC has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with R&C VIC to achieve the objectives of R&C VIC. All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

(b) Going Concern

Notwithstanding the deficiency of net assets, the financial report has been prepared on a going concern basis. Repayment arrangements are in place with a number of significant creditors and the directors are continuing with initiatives to improve the Associations trading position..

(c) Subscriptions

Subscriptions for membership are invoiced throughout the year based upon anniversary date. In the absence of a membership system which produces financial data, it is not practical to account for subscriptions on an accruals basis. Consequently, subscriptions are recorded as income of the association only when received.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

(e) Fixed Assets

Fixed assets are included at cost, and are depreciated over their estimated useful lives, commencing from the time the asset is held ready for use.

(f) Employee Entitlements

Provision is made for the economic entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred.

(g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

RESTAURANT & CATERING OF VICTORIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

Note	Economic Entity		Parent Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
NOTE 2: SIGNIFICANT ITEMS OF REVENUE				
Over accrual in prior years of superannuation	<u>8,652</u>	<u>-</u>	<u>8,652</u>	<u>-</u>
	<u>8,652</u>	<u>-</u>	<u>8,652</u>	<u>-</u>
NOTE 3: RECEIVABLES				
CURRENT				
Trade debtors	72,676	64,956	6,570	4,712
Less provision for doubtful debts	<u>(6,500)</u>	<u>(6,500)</u>	<u>-</u>	<u>-</u>
	<u>66,176</u>	<u>58,456</u>	<u>6,570</u>	<u>4,712</u>
NON-CURRENT				
Rent Bond Receivable	18,603	17,902	18,603	17,902
Long Term Loan -				
Hospitality Training Victoria Pty Ltd	<u>-</u>	<u>-</u>	<u>85,826</u>	<u>85,826</u>
	<u>18,603</u>	<u>17,902</u>	<u>104,429</u>	<u>103,728</u>
NOTE 4: OTHER ASSETS				
CURRENT				
Prepayments	<u>925</u>	<u>-</u>	<u>-</u>	<u>-</u>
NOTE 5: PROPERTY, PLANT AND EQUIPMENT				
PLANT AND EQUIPMENT				
Plant and equipment				
At cost	7,995	7,995	7,995	7,995
Less accumulated depreciation	<u>(6,685)</u>	<u>(5,828)</u>	<u>(6,685)</u>	<u>(5,828)</u>
	<u>1,310</u>	<u>2,167</u>	<u>1,310</u>	<u>2,167</u>
Improvements				
At cost	1,545	1,545	-	-
Less accumulated depreciation	<u>(906)</u>	<u>(659)</u>	<u>-</u>	<u>-</u>
	<u>639</u>	<u>886</u>	<u>-</u>	<u>-</u>
Furniture, fixtures and fittings				
At cost	96,895	96,895	26,254	26,254
Less accumulated depreciation	<u>(72,199)</u>	<u>(58,346)</u>	<u>(22,633)</u>	<u>(20,438)</u>
	<u>24,696</u>	<u>38,549</u>	<u>3,621</u>	<u>5,816</u>
Total plant and equipment	<u>26,645</u>	<u>41,602</u>	<u>4,931</u>	<u>7,983</u>
Total property, plant and equipment	<u>26,645</u>	<u>41,602</u>	<u>4,931</u>	<u>7,983</u>

RESTAURANT & CATERING OF VICTORIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	Economic Entity		Parent Entity	
		2002	2001	2002	2001
		\$	\$	\$	\$
NOTE 6: PAYABLES					
CURRENT					
Unsecured liabilities					
Trade creditors		101,988	154,629	51,481	67,286
Sundry creditors and accruals		<u>24,274</u>	<u>21,968</u>	<u>22,393</u>	<u>15,715</u>
		<u>126,262</u>	176,597	<u>73,874</u>	83,001

NOTE 7: PROVISIONS

CURRENT

Provision for Annual Leave	(a)	6,839	2,956	4,063	2,956
Provision for Superannuation		<u>1,120</u>	<u>9,301</u>	<u>857</u>	<u>9,301</u>
		<u>7,959</u>	<u>12,257</u>	<u>4,920</u>	<u>12,257</u>
(a) Aggregate employee entitlements liability		<u>6,839</u>	<u>2,956</u>	<u>4,063</u>	<u>2,956</u>

NOTE 8: RETAINED PROFITS

Accumulated losses at the beginning of the financial year		(41,901)	(21,348)	13,269	32,893
Net profit (loss) attributable to members of the entity		<u>31,167</u>	<u>(20,553)</u>	<u>14,511</u>	<u>(19,624)</u>
Accumulated losses at the end of the financial year		<u>(10,734)</u>	<u>(41,901)</u>	<u>27,780</u>	<u>13,269</u>

NOTE 9: OUTSIDE EQUITY INTEREST

Share Capital		40	10	-	-
Retained profits		<u>4,978</u>	<u>(6,131)</u>	<u>-</u>	<u>-</u>
		<u>5,018</u>	<u>(6,121)</u>	<u>-</u>	<u>-</u>

NOTE 10: SUBSCRIPTION INCOME

Membership subscriptions received		<u>197,227</u>	<u>231,265</u>	<u>197,227</u>	<u>231,265</u>
		<u>197,227</u>	<u>231,265</u>	<u>197,227</u>	<u>231,265</u>

In regards to the accounting policy outlined in Note 1 (c) to the accounts, the majority of subscriptions are in December of each year. Invoices are generally mailed in early December with a good response rate prior to year end. Invoices for 2000 however were mailed in late December and related receipts appeared as income for the year ended 31 December 2001. Consequently, the comparative for last year is higher than this year

NOTE 11: LOAN TO SUBSIDIARY

In March 1999, the R&C VIC became a 90% shareholder (reduced to 60% in 2002) in a new venture Hospitality Training Victoria (HTV), a company set up to provide training to hospitality apprentices and trainees already employed in the industry. As at 31 December 2001, loans to HTV totalling \$85,826 were quarantined as an interest free loan repayable over 15 years commencing in January 2006. Despite the net deficit of HTV as at 31 December 2002, no provision for doubtful debts has been raised against this balance because the committee of management of R&C VIC is confident that HTV will be successful and that the loan is fully recoverable.

RESTAURANT & CATERING OF VICTORIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

Note	Economic Entity		Parent Entity	
	2002	2001	2002	2001
	\$	\$	\$	\$

NOTE 12: 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 statement of financial position as follows:

Cash on hand	200	200	200	200
Cash at bank	<u>31,702</u>	<u>38,090</u>	<u>13,272</u>	<u>22,232</u>
	<u>31,902</u>	<u>38,290</u>	<u>13,472</u>	<u>22,432</u>

(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Profit (Loss) from ordinary activities after income tax	42,276	(20,657)	14,511	(19,624)
Non-cash flows in profit from ordinary activities				
Depreciation	14,957	18,556	3,052	3,943
Changes in assets and liabilities				
(Increase)/decrease in receivables	(8,470)	138,467	(1,858)	11,373
(Increase)/decrease in other assets	(925)	500	-	500
Increase in inventories	(1,750)	-	-	-
Increase in deposits	(701)	-	(701)	-
Decrease in payables	(47,478)	(118,163)	(9,126)	(21,305)
Decrease in doubtful debts	-	(17,900)	-	(1,860)
Decrease in provisions	<u>(4,298)</u>	<u>(25,710)</u>	<u>(7,337)</u>	<u>(9,660)</u>
Cash flows from operations	<u>(6,389)</u>	<u>(24,907)</u>	<u>(1,459)</u>	<u>(36,633)</u>

NOTE 13: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274 which reads as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation;
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed;
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
RESTAURANT & CATERING ASSOCIATION OF VICTORIA**

Scope

We have audited the financial report of the Restaurant & Catering Association of Victoria, being a special purpose financial report for the year ended 31 December 2002, comprising the Statement of Financial Performance, Statement of Financial Position, Cashflow Statement and Notes to and forming part of the accounts for the year ended 31 December 2002. The Executive Council of the organisation is responsible for the preparation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report are appropriate to meet the needs of members. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of The Restaurant & Catering Association of Victoria. No opinion is expressed as to whether the accounting policies used and described in Note 1 are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for fulfilling the Association's financial reporting requirements under the *Workplace Relations Act 1996*. 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 other purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and significant accounting estimates. In relation to the surplus or deficit for the year, our audit does not encompass a detailed verification of the individual items of income and expenditure appearing in the operating statement. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with accounting policies outlined in Note 1 to the financial report and the *Workplace Relations Act, 1996*.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

As is common for organisations of this type, it is not practicable for the Restaurant & Catering Association to maintain an effective system of internal control over donations, subscriptions and other fundraising activities until their initial entry in the accounting records. Accordingly our audit in relation to those activities was limited to the amounts recorded.

Qualified Audit Opinion

In our opinion, subject to the adjustments, if any, that might have been determined to be necessary, had the limitations referred to in the qualification paragraphs not existed,

- I. satisfactory accounting records have been kept by the organisation so far as appears from our examination of these books, including;
 - A. records of the sources and nature of the income of the organisation (including income from members); and
 - B. records of the nature and purposes of the expenditure of the organisation;
- II. the accounts and statements prepared under sec 273 of the *Workplace Relations Act 1996* have been properly drawn up so as to give a true and fair view of:
 1. the financial affairs of the organisation as at 31 December 2002 and
 2. the income and expenditure and any surplus or deficit of the organisation for the year; and
- III. all information and explanations that under subsection (2) of section 276 were required to be provided by the officers and employees of the organisation, were provided, and
- IV. the accounts have been prepared in accordance with the accounting policies as described in Note 1 to the financial report.

Significant Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matter described in note 1(b), there is significant uncertainty whether Restaurant & Catering Association of Victoria will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

HAYES KNIGHT



Peter Sexton
Partner
Registered Company Auditor

Dated:

14 March 2003

**DISCLAIMER TO THE MEMBERS OF
RESTAURANT & CATERING OF VICTORIA**

The additional financial data presented on pages 15 - 16 is in accordance with the books and records of the economic entity which have been subjected to the auditing procedures applied in our statutory audit of the economic entity for the financial year ended Tuesday, 31 December 2002. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than R&C VIC) in respect of such data, including any errors of omissions therein however caused.

Hayes Knight
3/60 Collins Street
Melbourne
Victoria

Chartered Accountants



Peter T Sexton
Partner

RESTAURANT & CATERING OF VICTORIA

PRIVATE INFORMATION FOR THE DIRECTOR ON THE 2002 FINANCIAL STATEMENTS

DETAILED PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2002

	Economic Entity		Parent Entity	
	2002	2001	2002	2001
	\$	\$	\$	\$
INCOME				
Membership contributions	197,227	231,265	197,227	231,265
Total membership contributions	197,227	231,265	197,227	231,265
Commission received	6,195	4,403	6,195	4,403
Consulting fees	37,185	82,490	-	-
Management fees	10,960	42,520	-	-
Sponsorship income	102,069	52,310	68,514	-
OTFE Funds	369,541	548,394	-	-
OTFE Funds Partnership	124,106	-	-	-
Interest	824	1,689	785	1,153
Events Income	22,811	116,870	22,811	116,870
Rental income	45,111	37,447	45,111	37,447
Other income	28,572	11,478	24,677	10,082
TOTAL INCOME	944,601	1,128,866	365,320	401,220
Less: EXPENSES				
Accounting fees	25,978	22,633	12,397	10,745
Administration costs	63,147	64,622	44	1,384
Advertising	1,260	7,139	882	1,715
Affiliations & Levies	12,648	26,732	12,648	26,732
Bad debts	-	14,760	-	-
Bank charges	5,784	8,120	4,381	5,547
AQTF Development	3,519	-	-	-
Cleaning	7,870	3,463	6,290	2,416
Computer expenses	1,928	12,777	-	5,117
Consultancy fees	4,887	47,730	4,887	47,730
Credit control services	29,777	40,055	-	-
Depreciation	14,957	18,556	3,052	3,943
Doubtful debts	-	(16,040)	-	-
Electricity	4,372	979	2,962	979
Event expense	40,752	67,892	40,752	67,892
HTV Marketing	29,682	69,134	-	-
HTV Resources	31,507	150,559	-	-
HTV Training consultants	116,481	245,395	-	-
HTV Training consultants - Partnership	107,875	-	-	-
Provision for Annual Leave	3,883	-	1,107	-
Insurance	6,166	9,623	6,567	7,396
Interest paid	361	229	-	-

These financial statements should be read in conjunction with the attached Disclaimer.

RESTAURANT & CATERING OF VICTORIA

PRIVATE INFORMATION FOR THE DIRECTOR ON THE 2002 FINANCIAL STATEMENTS

DETAILED PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONT)

	Economic Entity		Parent Entity	
	2002	2001	2002	2001
	\$	\$	\$	\$
Leasing charges	5,096	5,068	5,096	5,068
Library Resources	639	3,504	-	-
Long service leave	-	(6,254)	-	(6,254)
Medical expenses	90	-	-	-
Meeting expenses	6,444	5,166	6,444	5,166
Plant & equipment < \$300	1,457	-	-	-
Postage	11,885	8,501	10,004	6,627
Printing and stationery	25,673	16,378	12,213	7,672
Professional fees	4,918	17,764	200	13,960
Promotions	2,149	5,475	-	-
R&C VIC products & services	1,698	1,098	1,698	1,098
Registration fees	1,280	1,940	-	-
Rent	62,194	56,922	49,755	43,596
Repairs and maintenance	1,779	700	1,038	214
Research and development costs	6,729	4,122	-	-
Salaries and wages	192,510	190,075	134,159	135,462
Seminars & Workshops	2,834	(1,204)	2,834	(1,204)
Staff Amenities	5,028	4,264	1,245	1,055
Staff training and welfare	5,965	3,378	-	1,280
Subscriptions & Journals	415	2,844	41	184
Sundry expenses	6,124	4,146	2,527	807
Superannuation	20,512	13,050	12,392	10,470
Telephone	14,933	10,442	8,388	7,621
Travelling expenses	9,139	7,786	6,806	6,426
Total expenses	<u>902,325</u>	<u>1,149,523</u>	<u>350,809</u>	<u>420,844</u>
OPERATING PROFIT / (LOSS)	<u>42,276</u>	<u>(20,657)</u>	<u>14,511</u>	<u>(19,624)</u>

These financial statements should be read in conjunction with the attached Disclaimer.

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AUSTRALIAN INDUSTRIAL REGISTRY

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Fax: (03) 9654 6672

Ms Dur-e Dara OAM
President
The Restaurant and Catering Association of Victoria
PO Box 18193 Collins Street East
MELBOURNE VIC 8003

Dear Ms Dara

Re: The Restaurant and Catering Association of Victoria - Financial documents for year ended 31 December 2002 - FR 2002/783

Receipt is acknowledged of the financial documents for the financial year ended 31 December 2002. The documents were lodged in the Registry on 8 April 2003.

The documents have now been filed.

Having regard to the requirements of Part IX, Division 11, of the Workplace Relations Act 1996 (the Act) and the Workplace Relations Regulations (the Regulations) your attention is drawn to the following matters; **no further action is required in relation to these documents:**

Auditor's report

I note that the auditor has included the following:

"Significant Uncertainty Regarding Going Concern

Without qualification the opinion expressed above, attention is drawn to the following matter. As a result of the matter described in note 1(b), there is significant uncertainty whether Restaurant & Catering Association of Victoria will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and the amounts stated in the financial report."

I also note that Note 1(b) of the "Notes to and forming part of the accounts for the year ended 31 December 2002" provides:

"Going Concern

Notwithstanding the deficiency of net assets, the financial report has been prepared on an going concern basis. Repayment arrangements are in place with a number of significant creditors and the Directors are continuing with initiatives to improve the Association trading position."

Having regard to the requirements of the Act in subsection 272(1) of the Act, which I have set out below, I advise that the Registry will continue to monitor this aspect of the organisation's financial reporting in the future. Subsection 272(1) of the Act provides:

"(1) An organisation shall:

- (a) keep such accounting records as correctly record and explain the transactions and financial position of the organisation, including such records as are prescribed;
- (b) keep its accounting records in such a manner as will enable accounts and statements to be prepared from under section 273; and
- (c) keep its accounting records in such a manner as will enable the accounts of the organisation to be conveniently and properly audited under this Division."

Accounting Officer's Certificate

As you are aware a certificate prepared under regulation 109(1)(a) of the regulations is to be prepared by the officer of the Organisation responsible for the keeping of the accounting records of the Organisation - refer regulation 109(4). An examination of the rules of the organisation indicates that the Treasurer is the appropriate person to prepare such certificate - see subrule 13(d). I note your advice that the office of Treasurer has now been filled.

New legislation

As you would know the Workplace Relations (Registration and Accountability of Organisations) legislation (the RAO legislation) generally came into operation on 12 May 2003.

The RAO legislation establishes a **Registration and Accountability of Organisations Schedule** (the RAO Schedule) within the *Workplace Relations Act 1996* (the WR Act) pertaining to registered organisations. Many of the provisions relating to registered organisations currently in the WR Act will be replicated in the new RAO Schedule, with some amendments. Other matters will be substantially changed by the RAO Schedule, particularly the financial reporting requirements.

I note that your organisation will be required to complete the financial reporting obligations for the financial year ended 31 December 2003 under the Workplace Relations Act 1996 whereas the reporting obligations for the financial year ending 31 December 2004 will be governed by the requirements of the RAO Schedule.

On 8 May 2003 the Industrial Registrar forwarded to your organisation a package that included a range of Facts Sheets produced by the Registry. I hope that material is of assistance.

If you require further assistance I can be contacted on 8661 7774 (Mon-Thurs).

Yours sincerely,



Iain Stewart
Statutory Services Branch

14 May 2003