



Restaurant & Catering Victoria

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31 March 2004

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

FR2003/752

Dear Sir/Madam,

Re: **Lodgement of Accounts and Auditor's Report**
The 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 2003 as required by the *Workplace Relations Act (1996)*.

These reports are true copies of those that were presented to the Annual General Meeting of the Restaurant and Catering Association of Victoria on 23 March 2004. They were subsequently moved and accepted at the meeting.

Please do not hesitate to contact me on 9654 5866 should you require any additional information or clarification.

Yours sincerely

Wendy Jones
Director

Restaurant & Catering Association of Victoria

For The Year Ended 31 December 2003

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

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**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	Economic Entity		Parent Entity	
		2003 \$	2002 \$	2003 \$	2002 \$
Revenue from ordinary activities		969,299	948,510	444,027	369,227
Employee benefits expense		(233,330)	(216,905)	(141,068)	(147,658)
Depreciation and amortisation expenses	2	(16,966)	(15,317)	(2,428)	(3,052)
Lease expenses		(4,704)	(5,096)	(4,704)	(5,096)
Professional fees and services		(215,510)	(289,916)	(14,595)	(17,484)
Amenities and occupancy expenses		(106,757)	(93,470)	(84,568)	(76,245)
Office administration		(112,072)	(102,731)	(35,330)	(26,168)
Marketing		(37,524)	(30,942)	(2,158)	(882)
Events, affiliation and levies expenses		(57,035)	(53,400)	(57,035)	(53,400)
Resource expenses		(29,662)	(31,507)	-	-
Other expenses from ordinary activities		(77,535)	(66,951)	(30,642)	(24,732)
Borrowing costs expense	2	<u>(2,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit from ordinary activities before income tax expense (income tax revenue)		75,304	42,275	71,499	14,510
Income tax revenue (income tax expense) relating to ordinary activities	3	<u>481</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit from ordinary activities after related income tax expense (income tax revenue)	2	75,785	42,275	71,499	14,510
Net profit attributable to outside equity interests		<u>1,714</u>	<u>11,106</u>	<u>-</u>	<u>-</u>
Net profit attributable to the members of the entity		<u>74,071</u>	<u>31,169</u>	<u>71,499</u>	<u>14,510</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>74,071</u>	<u>31,169</u>	<u>71,499</u>	<u>14,510</u>

The accompanying notes form part of these financial statements.

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003**

	Note	Economic Entity		Parent Entity	
		2003	2002	2003	2002
		\$	\$	\$	\$
CURRENT ASSETS					
Cash assets		50,843	31,902	27,136	13,472
Receivables	4	63,208	74,426	14,572	6,570
Inventories		1,400	1,750	-	-
Future income tax benefits	7	481	-	-	-
Other	5	-	925	-	-
TOTAL CURRENT ASSETS		<u>115,932</u>	<u>109,003</u>	<u>41,708</u>	<u>20,042</u>
NON-CURRENT ASSETS					
Receivables	4	19,364	104,429	105,190	104,429
Fixed Assets	6	12,738	26,645	2,503	4,931
TOTAL NON-CURRENT ASSETS		<u>32,102</u>	<u>131,074</u>	<u>107,693</u>	<u>109,360</u>
TOTAL ASSETS		<u>148,034</u>	<u>240,077</u>	<u>149,401</u>	<u>129,402</u>
CURRENT LIABILITIES					
Payables	8	60,547	136,620	34,651	81,374
Provisions	9	9,917	7,959	8,031	4,920
Other	10	-	7,888	-	7,888
TOTAL CURRENT LIABILITIES		<u>70,464</u>	<u>152,467</u>	<u>42,682</u>	<u>94,182</u>
NON-CURRENT LIABILITIES					
Payables	8	-	85,826	-	-
Other	10	7,440	7,440	7,440	7,440
TOTAL NON-CURRENT LIABILITIES		<u>7,440</u>	<u>93,266</u>	<u>7,440</u>	<u>7,440</u>
TOTAL LIABILITIES		<u>77,904</u>	<u>245,733</u>	<u>50,122</u>	<u>101,622</u>
NET ASSETS/NET LIABILITIES		<u>70,130</u>	<u>(5,656)</u>	<u>99,279</u>	<u>27,780</u>
MEMBERS' FUNDS					
Contributed equity		60	60	-	-
Accumulated surplus/(deficit)	11	63,340	(10,732)	99,279	27,780
Parent entity interest		63,400	(10,672)	99,279	27,780
Outside equity interest		6,730	5,016	-	-
TOTAL MEMBERS' FUNDS		<u>70,130</u>	<u>(5,656)</u>	<u>99,279</u>	<u>27,780</u>

The accompanying notes form part of these financial statements.

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	Economic Entity		Parent Entity	
		2003	2002	2003	2002
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from members		281,545	232,204	281,545	232,204
Other Receipts		808,020	779,722	230,000	157,005
Payments to suppliers and employees		(1,057,431)	(1,018,437)	(483,421)	(390,753)
Interest received		960	123	928	84
Borrowing costs		(2,900)	-	-	-
Net cash provided by/(used in) operating activities	14 (b)	<u>30,194</u>	<u>(6,388)</u>	<u>29,052</u>	<u>(1,460)</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Payment for property, plant and equipment		<u>(3,365)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>(3,365)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		(7,888)	-	(15,388)	-
Repayment of borrowings		<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,500)</u>
Net cash used in financing activities		<u>(7,888)</u>	<u>-</u>	<u>(15,388)</u>	<u>(7,500)</u>
Net increase/(decrease) in cash held		18,941	(6,388)	13,664	(8,960)
Cash at beginning of financial year		<u>31,902</u>	<u>38,290</u>	<u>13,472</u>	<u>22,432</u>
Cash at end of financial year	14 (a)	<u><u>50,843</u></u>	<u><u>31,902</u></u>	<u><u>27,136</u></u>	<u><u>13,472</u></u>

The accompanying notes form part of these financial statements.

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Workplace Relations Act 1996, applicable Accounting Standards and other mandatory professional reporting requirements. The committee has determined that the economic entity is not a reporting entity. 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 the Restaurant and Catering Association of Victoria. Control exists where Restaurant and Catering Association of Victoria 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 Restaurant and Catering Association of Victoria to achieve the objectives of Restaurant and Catering Association of Victoria.

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) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense shown in the income and expenditure statement is based on the operating profit before income tax adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability settled.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation, and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Income tax is accounted for in Hospitality Training Victoria Pty Ltd. Restaurant and Catering Association of Victoria is exempt from paying income tax.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(d) Fixed Assets

Other fixed assets are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets commencing from the time the asset was held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The carrying amount of fixed assets is reviewed annually to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

(f) Employee Benefits

Provision is made for the economic entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

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

(g) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(h) 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 Taxation 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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(i) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year

(j) 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.

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

Note	Economic Entity		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 2: PROFIT FROM ORDINARY ACTIVITIES				
Profit (losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:				
(a) Expenses:				
Borrowing costs	2,900	-	-	-
Depreciation of property, plant and equipment	16,966	15,317	2,428	3,052
Remuneration of the auditors for:				
- audit or review services	<u>17,487</u>	<u>13,581</u>	<u>6,975</u>	<u>-</u>
Research and development costs	11,495	6,729	-	-
(b) Revenue and Net Gains				
Over accrual in prior years of superannuation	<u>-</u>	<u>8,652</u>	<u>-</u>	<u>8,652</u>

The consolidated depreciation charge contains an additional amount of \$6,281 to write off Hospitality Training Victoria computers formerly held at clients premises.'

NOTE 3: INCOME TAX EXPENSE

Prima facie income tax payable on profit from ordinary activities before income tax at 30.0% (2002 - 30.0%)

Add:

Tax effect of:

- other non-allowable items

22,591	12,683	21,450	4,353
<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>
22,627	12,683	21,450	4,353

Less:

Tax effect of:

- Movement in holiday pay provision

- Brought forward losses

Parent entity profit not subject to income tax

Income tax (benefit)/expense attributable to profit from ordinary activities

(833)	-	-	-
(825)	(8,330)	-	-
<u>21,450</u>	<u>4,353</u>	<u>21,450</u>	<u>4,353</u>
<u>(481)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Future income tax benefits not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(a) occur.

- tax losses brought forward

<u>12,629</u>	<u>13,455</u>	<u>-</u>	<u>-</u>
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Income tax benefit relates to the effect of realising the future tax gain from the movement in the holiday pay provision. This has been brought to account in 2003 as the directors believe that realisation is beyond any reasonable doubt.

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

Note	Economic Entity		Parent Entity	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 4: RECEIVABLES				
CURRENT				
Trade debtors	68,883	73,426	13,747	6,570
Less provision for doubtful debts	<u>(6,500)</u>	<u>(6,500)</u>	<u>-</u>	<u>-</u>
	<u>62,383</u>	<u>66,926</u>	<u>13,747</u>	<u>6,570</u>
Other debtors	825	-	825	-
Loans to associates	<u>-</u>	<u>7,500</u>	<u>-</u>	<u>-</u>
	<u>825</u>	<u>7,500</u>	<u>825</u>	<u>-</u>
	<u>63,208</u>	<u>74,426</u>	<u>14,572</u>	<u>6,570</u>
NON-CURRENT				
Rent bond receivable	19,364	18,603	19,364	18,603
Amounts receivable from:				
Hospitality Training Victoria Pty Ltd	<u>-</u>	<u>85,826</u>	<u>85,826</u>	<u>85,826</u>
	<u>19,364</u>	<u>104,429</u>	<u>105,190</u>	<u>104,429</u>
NOTE 5: OTHER ASSETS				
CURRENT				
Prepayments	<u>-</u>	<u>925</u>	<u>-</u>	<u>-</u>
NOTE 6: FIXED ASSETS				
PLANT AND EQUIPMENT				
Plant and equipment				
At cost	7,995	7,995	7,995	7,995
Less accumulated depreciation	<u>(7,205)</u>	<u>(6,685)</u>	<u>(7,205)</u>	<u>(6,685)</u>
	<u>790</u>	<u>1,310</u>	<u>790</u>	<u>1,310</u>
Improvements				
At cost	2,090	1,545	-	-
Less accumulated depreciation	<u>(1,142)</u>	<u>(906)</u>	<u>-</u>	<u>-</u>
	<u>948</u>	<u>639</u>	<u>-</u>	<u>-</u>
Furniture, fixtures and fittings				
At cost	105,874	96,895	26,254	26,254
Less accumulated depreciation	<u>(94,874)</u>	<u>(72,199)</u>	<u>(24,541)</u>	<u>(22,633)</u>
	<u>11,000</u>	<u>24,696</u>	<u>1,713</u>	<u>3,621</u>
Total property, plant and equipment	<u>12,738</u>	<u>26,645</u>	<u>2,503</u>	<u>4,931</u>

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

Note	Economic Entity		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 7: TAX ASSETS				
Future income tax benefits - current				
- Provision for holiday pay	<u>481</u>	<u>-</u>	<u>-</u>	<u>-</u>
NOTE 8: PAYABLES				
CURRENT				
Unsecured liabilities				
Trade creditors	<u>31,391</u>	<u>102,738</u>	<u>12,536</u>	<u>51,481</u>
Sundry creditors and accruals	<u>29,156</u>	<u>33,882</u>	<u>22,115</u>	<u>29,893</u>
	<u>60,547</u>	<u>136,620</u>	<u>34,651</u>	<u>81,374</u>
NON-CURRENT				
Unsecured liabilities				
Amounts payable to:				
- associated companies	<u>-</u>	<u>85,826</u>	<u>-</u>	<u>-</u>
NOTE 9: PROVISIONS				
CURRENT				
Employee benefits (a)	<u>8,786</u>	<u>6,839</u>	<u>7,182</u>	<u>4,063</u>
Provision for superannuation	<u>1,131</u>	<u>1,120</u>	<u>849</u>	<u>857</u>
	<u>9,917</u>	<u>7,959</u>	<u>8,031</u>	<u>4,920</u>
(a) Aggregate employee benefit liability	<u>8,786</u>	<u>6,839</u>	<u>7,182</u>	<u>4,063</u>
NOTE 10: OTHER LIABILITIES				
CURRENT				
Short term loan	<u>-</u>	<u>7,888</u>	<u>-</u>	<u>7,888</u>
NON-CURRENT				
Rent bond refundable	<u>7,440</u>	<u>7,440</u>	<u>7,440</u>	<u>7,440</u>
NOTE 11: RETAINED PROFITS				
Accumulated losses at the beginning of the financial year	<u>(10,731)</u>	<u>(41,901)</u>	<u>27,780</u>	<u>13,270</u>
Net profit (loss) attributable to members of the entity	<u>74,071</u>	<u>31,169</u>	<u>71,499</u>	<u>14,510</u>
Retained profits/(accumulated losses) at the end of the financial year	<u>63,340</u>	<u>(10,732)</u>	<u>99,279</u>	<u>27,780</u>

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	Economic Entity		Parent Entity	
		2003	2002	2003	2002
		\$	\$	\$	\$
NOTE 12: OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES					
Outside equity interest comprises:					
Contributed equity		40	40	-	-
Retained profits	(a)	<u>6,690</u>	<u>4,976</u>	<u>-</u>	<u>-</u>
		<u>6,730</u>	<u>5,016</u>	<u>-</u>	<u>-</u>

(a) Retained Profits

Opening balance		4,976	(6,130)	-	-
Share of operating profit after income tax		<u>1,714</u>	<u>11,106</u>	<u>-</u>	<u>-</u>
Closing balance		<u>6,690</u>	<u>4,976</u>	<u>-</u>	<u>-</u>

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

In February 2004 an agreement has been reached between the Restaurant and Catering Association Victoria, Caveron Pty Ltd and Reflective Practitioners Pty Ltd. Under the terms of the agreement Restaurant and Catering Association Victoria will sell 30 of its 60 shares in Hospitality Training Victoria to Reflective Practitioners and Caveron Pty Ltd will sell 30 shares to Reflective Practitioners.

The shares will be sold in three tranches, being 15 shares in February 2004, 8 and 7 shares respectively in December 2004 and 7 and 8 shares respectively in December 2005.

As at 31 December 2001, loans to Hospitality Training Victoria from the Restaurant and Catering Association of Victoria totalling \$85,826 were quarantined as an interest free loan repayable over 15 years commencing in January 2006. These loans will be forgiven upon realisation of the sale.

This will have a material and positive impact on the net asset position of the company going forward.

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

Note	Economic Entity		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 14: 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>50,643</u>	<u>31,702</u>	<u>26,936</u>	<u>13,272</u>
	<u>50,843</u>	<u>31,902</u>	<u>27,136</u>	<u>13,472</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax				
Surplus from ordinary activities after income tax	75,785	42,275	71,499	14,510
Non-cash flows in profit from ordinary activities				
Depreciation	16,966	14,957	2,428	3,052
GST paid to ATO on purchase of fixed assets	308	-	-	-
Changes in assets and liabilities				
(Increase)/decrease in receivables	2,558	(8,470)	(7,177)	(1,858)
(Increase)/decrease in other assets	100	(925)	(825)	-
(Increase)/decrease in inventories	350	(1,750)	-	-
(Increase) in deposits	(761)	(701)	(761)	(701)
Decrease in payables	(66,589)	(47,477)	(39,223)	(9,126)
(Increase)/decrease in current tax assets	(481)	-	-	-
increase/(decrease) in provisions	<u>1,958</u>	<u>(4,297)</u>	<u>3,111</u>	<u>(7,337)</u>
Cash flows from operations	<u>30,194</u>	<u>(6,388)</u>	<u>29,052</u>	<u>(1,460)</u>

NOTE 15: INFORMATION TO BE PROVIDED TO MEMBERS OR THE 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

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

STATEMENT BY THE EXECUTIVE COUNCIL

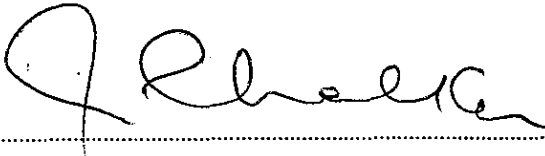
In accordance with a resolution of the Committee of Management we state that in the opinion of the Executive Council:

- (a) the Statement of Financial Performance gives a true and fair view of the results of the Association for the year ended 31 December, 2003;
- (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



JOHN CHALKER

Dated this 27 day of February 20 04

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

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

Scope

We have audited the financial report, being a special purpose financial report of Restaurant and Catering Association of Victoria for the financial year ended 31 December 2003 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the Financial Statements and the Statement by Members of the Committee. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The committee is responsible for 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 appropriate to meet the requirements of the Associations Incorporation Act of Victoria and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of Restaurant and 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 the purpose of fulfilling the requirements of the Associations Incorporation Act of Victoria. We disclaim any assumption of responsibility for any reliance on this audit 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.

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 the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of the association's and controlled entities' financial position, and performance as represented by the results of their operations and their cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

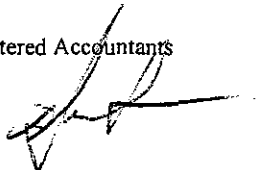
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Restaurant and Catering Association of Victoria presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Restaurant and Catering Association of Victoria as at 31 December 2003 and the results of its operations and its cash flows for the financial year then ended.

HAYES KNIGHT

Chartered Accountants



Peter Sexton

Partner

27 February 2004

**RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
AND CONTROLLED ENTITY**

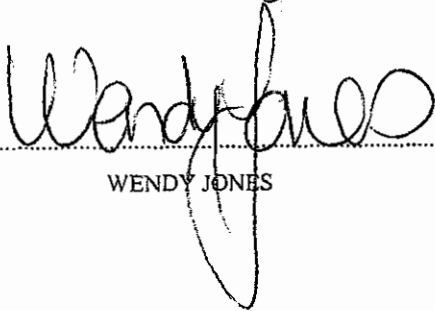
ACCOUNTING OFFICER'S CERTIFICATE

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 2003, the number of members of the association was 265 and the number of subscribers of the organisation was 472 (total members & subscribers - 737, last year - 731).

In our opinion:-

- i) the attached accounts show a true and fair view of the financial affairs of the Association as at 31 December, 2003.
- 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.

Dated this 27 day of February 2004


WENDY JONES



AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

Level 36, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

FACSIMILE

TO	DUR-E DARA		
Organisation	RCAV		
Fax Number	(03) 9654 5286	Phone Number	(03) 9654 5866
FROM	Shane Ellard		
Location	RIA Team 4 - Statutory Services Branch (Melbourne)		
Fax Number	(03) 9654 6672	Phone Number	(03) 8661 7811
No of Pages (including cover)	3	Date	26/4/2004
Please notify sender if not all pages were received.		Time	3:40pm

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MESSAGE:



AUSTRALIAN INDUSTRIAL REGISTRY

Level 36, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Our Ref: 269V: FR2003/752

Mr Dur-e Dara
President
The Restaurant and Catering Association of Victoria
Level 3, 114 Flinders St
Melbourne
VIC 3000

Dear Mr Dara,

**Re: The Restaurant and Catering Association of Victoria
Financial returns for year ended 31 December 2003
(FR2003/752)**

Receipt is acknowledged of the financial documents of The Restaurant and Catering Association of Victoria for the year ended 31 December 2003. The documents were lodged in the Industrial Registry on 31 March 2004.

The documents have now been filed.

The following matters are advised for assistance when preparing future financial documents, no further action is requested in respect of this:

- **Secretary's Certificate**

In future, could you please include in the Secretary's Certificate the specific **date documents were supplied to the members**. Whilst this is not expressly required by s280 of the Workplace Relations Act 1996 ("the Act") it can demonstrate compliance with the timescale requirements arising under s279(6).

A certificate prepared under paragraph 280(1)(b) of the Act is to be prepared by the Secretary, unless the rules of the organisation provide that another officer should do so. An examination of the rules does not indicate such provision has been made. Accordingly, **the President** rather than the Director, who is not an office holder under the Act, **is the appropriate person to prepare such certificate**.

- **Accounting Officer's Certificate**

A certificate prepared under regulation 109(1)(a) is to be prepared by the officer responsible for the keeping of the accounting records - refer regulation 109(4). An examination of the rules of the organisation indicates that **the Treasurer** rather than the Director, who is not an office holder under the Act, **is the appropriate person to prepare such a certificate**.

- **Auditor's Report**

Subsection 276(4) of the Act requires an auditor to state, whether in the auditor's opinion:

- "(a)(i) *there were kept by the organisation in relation to the year satisfactory accounting records, 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; and*
- (ii) the accounts and statements prepared under section 273 in relation to the year were properly drawn up so as to give a true and fair view of:*
- (A) the financial affairs of the organisation as at the end of the year; and*
 - (B) the income and expenditure, and any surplus or deficit, of the organisation for the year; and*
- (b) whether all the information and explanations that, under subsection (2), officers or employees of the organisation were required to provide were provided and, in addition, the auditor shall state in the report particulars of any deficiency, failure or shortcoming in relation to a matter referred to in paragraph (a) or (b)."*

The auditor's report failed to clearly state the above. Would you please bring this matter to your auditor's attention.

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) inserted as Schedule 1B 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 are replicated in the new RAO Schedule, with some amendments. Other matters will be substantially changed by the RAO Schedule, particularly the financial reporting requirements.

Whilst your organisation was required to complete the financial reporting obligations for the financial year ended 31 December 2003 under the WR Act, the reporting obligations for the financial year ending 31 December 2004 will be governed by the requirements of the RAO Schedule. This is because the relevant provisions of the *Workplace Relations Legislation Amendment (Registration of Accountability of Organisations) (Consequential Provisions) 2002 Act* apply to the first complete financial year subsequent to the commencement of the legislation (see item 44(1)).

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, please contact me on (03) 8661-7811 or email: shane.ellard@air.gov.au.

Yours sincerely,



Shane Ellard
Team Manager - RIA Team 4
Statutory Services Branch (Melbourne)

26 April 2004