



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
Fax: (03) 9654 6672

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

Dear Ms Dara,

Re: Financial Documents - year ended 31 December 2004 (FR2004/660)
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I have received the financial report for The Restaurant and Catering Association of Victoria for the year ended 31 December 2004. The documents were lodged in the Registry on 13 April 2005 under s268 of Schedule 1B of the Workplace Relations Act 1996.

As you would be aware, this is the first lodgment by the organisation of its audited financial report under Schedule 1B (Registration and Accountability of Organisations (RAO) Schedule) which commenced on 12 May 2003.

The documents have been filed.

Comments to assist future financial reports

The following comments may assist you when you next prepare financial reports. No further action is required regarding these issues with respect to the lodged documents.

Disclosure of Expenditure

An organisation is required to disclose specific expenditure items in the main body of the accounts. It is noted however that the expenditure information provided in the Statement of Financial Performance was grouped in very broad categories such as 'Events, affiliations and levies', 'Professional fees and services' and 'Employee benefits expense' rather than as discrete items such as:

- Affiliation fees or subscriptions to political parties or industrial bodies
- Grants or Donations
- Legal costs
- Employee benefits to holders of office
- Employee benefits to employees (other than holders of office)
- Conferences - fees/allowance for attendance
- Conference Expenses

Accordingly, in future financial years please ensure that the abovementioned items of expenditure are separately disclosed in the accounts as required by the Industrial Registrar's Reporting Guidelines at Note 11 - see enclosed.

Operating Report - Trustees of superannuation entities

The Operating Report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme;

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation – see s254(2)(d) of the RAO Schedule

In the event that no officer or member of the organisation is a trustee or director of this kind the Operating Report should include a comment to this effect.

References to Legislation

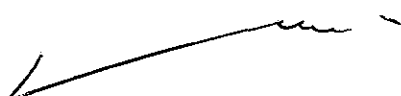
A number of references to legislation in the documents should be amended as follows:

	existing reference	amend to
<i>Audit Report</i>	s256 WR Act	s256 RAO Schedule
<i>Note 17 to the Accounts</i>	s274 WR Act	s272 RAO Schedule

I apologise for the delay in finalising these matters.

If you have any queries please contact me on (03) 8661 7799.

Yours faithfully,



Andrew Schultz
Statutory Services Branch

4 August 2005



FR 2004/660

6 April 2005

Rec'd 13/4/05

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

Major
Sponsor



Dear Sir,

Re: **Lodgement of Reports Relating to the Financial Year Ended 31 December 2004 – The Restaurant and Catering Association of Victoria - FR 2004/660**

Corporate
Partners

As per the requirements of Schedule 1B of the *Workplace Relations Act 1996* the following documents are submitted to the Australian Industrial Registry:



- General Purpose Financial Report
- Auditors Report
- Operating Report by the Committee of Management
- Certificate of Secretary or other Authorised Officer



SOUTHCORP WINES

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

Yours sincerely

Dur-e Dara OAM
President



Certificate of Secretary or other Authorised Officer

S268 of Schedule 1B *Workplace Relations Act 1996*

I, Dur-e Dara, being the President of The Restaurant and Catering Association of Victoria certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members of the Management Committee on 16 February 2005 at the first meeting. The full report was posted onto the website of The Restaurant and Catering Association of Victoria (www.restaurantcatervic.asn.au) on 2 March 2005 and members advised in writing of its availability and
- that the full report was presented to a general meeting (the second meeting) of members of The Restaurant and Catering Association of Victoria on 30 March 2005 in accordance with section 266 of the RAO Schedule.

Signed:



Dur-e Dara OAM
President

Dated this:

5th

of

April.

2005

The Restaurant and Catering Association of Victoria

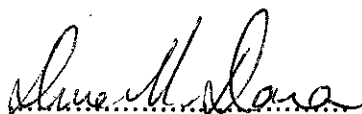
Committee of Management Statement

On 16 February 2005 the Committee of Management of The Restaurant and Catering Association of Victoria passed the following resolution in relation to the general purpose financial report (GPFR) of The Restaurant and Catering Association of Victoria for the financial year ended 31 December 2004.

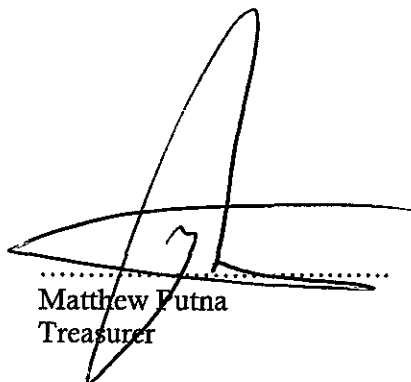
The Committee of Management declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registry
- c) the financial statements and notes gives a true and fair vies of the financial performance, financial position and cash flows of the association for the financial year to which they relate
- d) there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable
- e) during the financial year to which the GPFR relates and since the end of the year:
 - i) meetings of the committee of management were held in accordance of the rules of the association
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the association
 - iii) the financial records of the reporting units have been kept and maintained in accordance with the RAO Schedules and RAO Regulations
 - iv) no requests have been made from any members of the association or a Register under section 272 of the RAO Schedule; and
 - v) no orders have been made by the Commission under section 273 of the RAO Schedule during the period,

For the Committee of Management



Dur-e Dara
President



Matthew Putna
Treasurer

Dated this 16 day of February 2005

The Restaurant and Catering Association of Victoria

Operating Report by the Committee of Management

Your committee members submit the financial report The Restaurant and Catering Association of Victoria for the financial year ended 31 December 2004.

Committee Members

Dur-e Dara OAM	John Chalker	Roslyn Grimes-Harvey
Brooke Powell	Nino Pangrazio	Matthew Putna
Lachlan McKenzie	Mike Hester	Lesyle Thies (appointed 6 April 2004)
Brett Willis (resigned 4 December 2004)		

Principal Activities

The principal activity of the association during the financial year was representing the interests of its members in the restaurant and catering industry.

Operating Result

The profit from ordinary activities amounted to \$92,212 after writing off a long term loan of \$85,826.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Significant Changes

Following the partial sell down of shares in the subsidiary – Hospitality Training Victoria Pty Ltd there is no longer a requirement to consolidate that company however the investment has been equity accounted for in 2004 due to the significant influence that still exists. Consequently the accounts for 2004 no longer show a consolidated position.

Number of Members

The association had 284 members and 519 subscribers – total 803 (2003 - 265 members and 472 subscribers – total 737) at financial year end.

Operating Report by the Committee of Management (continued)

Number of Employees

The association had 3 (2003: 3) employees at financial year end.

Members Right to Resign

A member has the right to resign from the association in accordance with Rule 10. Resignation or Termination of Membership (c) (1)-(6) of The Restaurant and Catering Association of Victoria

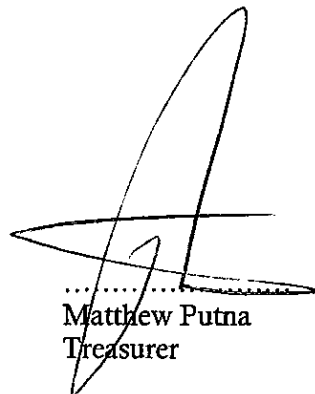
Signed in accordance with a resolution of the Members of the Committee:



.....
Dur-e Dara OAM
President

Date:

2/3/05



.....
Matthew Putna
Treasurer

Date:

2/3/05

Restaurant & Catering Association of Victoria
ABN 31 739 604 819

Financial Report
For The Year Ended 31 December 2004

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(3)

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA

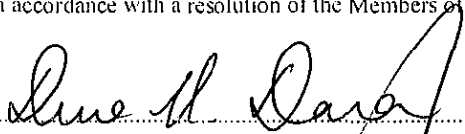
COMMITTEE OF MANAGEMENT STATEMENT

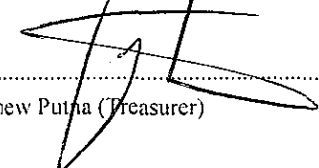
On 16 February 2005 the Committee of Management of the Restaurant & Catering Association of Victoria passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended December 31, 2004

The Committee of Management declares in relation to the GPFR that in its opinion

- a the financial statements and notes comply with the Australian Accounting Standards
- b the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate
- d there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable
- e during the financial year to which the GPFR relates and since the end of that year
 - i meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v no requests for information have been received from a member of the reporting unit or a Registrar under section 272 of the RAO Schedule during the period; and
 - vi no orders have been made by the Commission under section 273 of the RAO Schedule during the period

Signed in accordance with a resolution of the Members of the Committee:


Dur-e Dara (President)


Matthew Putna (Treasurer)

Dated this 2 day of March 2005

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
ABN 31 739 604 819

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 \$	2003 \$
Revenue from ordinary activities	2	563,699	444,027
Employee benefits expense		(150,179)	(143,817)
Transport costs		(17,563)	(7,653)
Depreciation and amortisation expenses	3	(1,754)	(2,428)
Advertising		(612)	(2,158)
Professional fees and services		(11,731)	(13,853)
Office administration		(40,130)	(44,270)
Amenities and occupation		(84,364)	(79,421)
Events, affiliations and levies		(65,443)	(46,884)
Write off of HTV loan		(85,826)	-
Other expenses from ordinary activities		(37,276)	(32,043)
Share of net profits (losses) of associates and joint ventures accounted for using the equity method		<u>23,391</u>	<u>-</u>
Profit from ordinary activities		<u>92,212</u>	<u>71,500</u>
Total changes in equity		<u>92,212</u>	<u>71,500</u>

The accompanying notes form part of these financial statements.

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
ABN 31 739 604 819

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	Notes	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	4	160,457	27,136
Receivables	5	<u>34,572</u>	<u>14,572</u>
TOTAL CURRENT ASSETS		<u>195,029</u>	<u>41,708</u>
NON-CURRENT ASSETS			
Receivables	5	20,272	105,190
Investments accounted for using the equity method	6	23,391	-
Property, plant and equipment	8	<u>10,143</u>	<u>2,503</u>
TOTAL NON-CURRENT ASSETS		<u>53,806</u>	<u>107,693</u>
TOTAL ASSETS		<u>248,835</u>	<u>149,401</u>
CURRENT LIABILITIES			
Payables	9	41,993	35,499
Provisions	10	<u>7,910</u>	<u>7,182</u>
TOTAL CURRENT LIABILITIES		<u>49,903</u>	<u>42,681</u>
NON-CURRENT LIABILITIES			
Other	11	<u>7,440</u>	<u>7,440</u>
TOTAL NON-CURRENT LIABILITIES		<u>7,440</u>	<u>7,440</u>
TOTAL LIABILITIES		<u>57,343</u>	<u>50,121</u>
NET ASSETS		<u>191,492</u>	<u>99,280</u>
EQUITY			
Retained profits	12	<u>191,492</u>	<u>99,280</u>
TOTAL EQUITY		<u>191,492</u>	<u>99,280</u>

The accompanying notes form part of these financial statements.

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
ABN 31 739 604 819

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 \$	2003 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		261,520	281,545
Other receipts		281,894	230,000
Payments to suppliers and employees		(449,116)	(483,421)
Interest received		<u>4,356</u>	<u>928</u>
Net cash provided by operating activities	15 (b)	<u>98,654</u>	<u>29,052</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sales of shares in subsidiary		45,000	-
Payment for property, plant and equipment		<u>(10,333)</u>	<u>-</u>
Net cash provided by investing activities		<u>34,667</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		<u>-</u>	<u>(15,388)</u>
Net cash used in financing activities		<u>-</u>	<u>(15,388)</u>
Net increase in cash held		133,321	13,664
Cash at beginning of financial year		<u>27,136</u>	<u>13,472</u>
Cash at end of financial year	15 (a)	<u><u>160,457</u></u>	<u><u>27,136</u></u>

The accompanying notes form part of these financial statements.

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
ABN 31 739 604 819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the Workplace Relations Act 1996, applicable Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from 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 present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the Association commencing from the time the asset is held ready for use.

(c) 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 Association 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 Association 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.

(d) Investments in Associates

The equity method of accounting has been applied and recognised in the financial statements of the Association in relation to all associated companies. An associated company is a company over which Restaurant and Catering Association of Victoria is able to exercise significant influence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Employee Benefits

Provision is made for the Association'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 and annual 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. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(f) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(g) 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.

(h) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The Committee of Management are assessing the significance of these changes and preparing for their implementation.

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
ABN 31 739 604 819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 \$	2003 \$
NOTE 2: REVENUE			
Operating activities			
- commissions received		10,103	8,965
- share of associated company's operating profit before income tax		23,391	-
- interest	2(a)	4,356	928
- other revenue		<u>549,240</u>	<u>434,134</u>
		<u>587,090</u>	<u>444,027</u>
 (a) Interest from:			
- other persons		<u>4,356</u>	<u>928</u>
 NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
Profit from ordinary activities has been determined after:			
(a) Expenses:			
Depreciation of non-current assets			
- Plant and equipment		<u>1,754</u>	<u>2,428</u>
Bad and doubtful debts:			
Bad debts		<u>677</u>	<u>-</u>
 Remuneration of the auditors for:			
- audit or review services		<u>7,659</u>	<u>6,975</u>
 (b) Significant Revenues and Expenses:			
Write off of HTV long term loan balance		(85,826)	-
Profit on sale of shares in Hospitality Training Victoria Pty Ltd		<u>45,000</u>	<u>-</u>
 NOTE 4: CASH ASSETS			
Cash on hand		200	200
Cash at bank		<u>160,257</u>	<u>26,936</u>
		<u>160,457</u>	<u>27,136</u>
 NOTE 5: RECEIVABLES			
CURRENT			
Trade debtors		<u>33,731</u>	<u>13,747</u>
Sundry debtors		<u>841</u>	<u>825</u>
		<u>34,572</u>	<u>14,572</u>
 NON-CURRENT			
Rent Bond		20,272	19,364
 Amounts receivable from:			
Hospitality Training Victoria Pty Ltd loan		<u>-</u>	<u>85,826</u>
		<u>20,272</u>	<u>105,190</u>

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
ABN 31 739 604 819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 \$	2003 \$
NOTE 6: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD			
NON-CURRENT			
- Associated companies		<u>23,391</u>	<u>-</u>
		<u>23,391</u>	<u>-</u>

NOTE 7: INVESTMENT IN ASSOCIATED COMPANY

Associate: Hospitality Training Victoria Pty Ltd

Principal activity: The supply of training and assessment services to the hospitality and food processing sector.

Ownership interest 37%, (2003 60%)

Carrying value of investment in Hospitality Training Victoria Pty Ltd 23,391 -

(a) Movements during the year in equity accounted investment in associated company

Add:

Share of associated company's profit from ordinary activities and extraordinary items after income tax

Balance at the end of the financial year.

6

(b) Retained profits attributable to associate

Share of profit of associates profit from ordinary activities before income tax for the year ended 31 December 2004

Share of associates income tax expense for the year ended 31 December 2004

Share of profit of associates profit from ordinary activities after income tax

Share of associates retained losses first brought to account in 2004

Balance at the end of the financial year

In February 2004 an agreement was 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 agreed to sell 30 of its 60 shares in Hospitality Training Victoria to Reflective Practitioners and Caveron Pty Ltd agreed to sell 30 shares to Reflective Practitioners.

The shares are 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 2004 RCAV held 37% of Hospitality Training Victoria Pty Ltd, and exercised significant influence over the company. Therefore RCAV's entitlement to 37% of the retained profits of Hospitality Training Victoria have been brought to account in accordance with the requirements of AASB 1016 - Accounting for Investments in Associates.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

(a) Plant and equipment

At cost	17,389	7,995
Less accumulated depreciation	<u>(8,604)</u>	<u>(7,205)</u>
	<u>8,785</u>	<u>790</u>

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
ABN 31 739 604 819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 \$	2003 \$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)			
(b) Furniture, fixtures and fittings			
At cost		26,254	26,254
Less accumulated depreciation		<u>(24,896)</u>	<u>(24,541)</u>
		1,358	1,713
Total property, plant and equipment		<u><u>10,143</u></u>	<u><u>2,503</u></u>
NOTE 9: PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		9,570	12,536
Westpac Master Card		3,354	-
Accrued audit fees		8,500	7,800
Other Sundry Creditors		6,325	10,995
Tax Payable		12,771	3,319
Superannuation payable		<u>1,472</u>	<u>849</u>
		<u><u>41,993</u></u>	<u><u>35,499</u></u>
NOTE 10: PROVISIONS			
CURRENT			
Provision for annual leave	10(a)	<u>7,910</u>	<u>7,182</u>
(a) Aggregate employee benefits liability		<u><u>7,910</u></u>	<u><u>7,182</u></u>
NOTE 11: OTHER LIABILITIES			
NON-CURRENT			
Bond refundable - Tourism Alliance Victoria Ltd		<u>7,440</u>	<u>7,440</u>
NOTE 12: RETAINED PROFITS			
Retained profits at the beginning of the financial year		99,280	27,780
Net profit (loss) attributable to members of the entity		<u>92,212</u>	<u>71,500</u>
Retained profits at the end of the financial year		<u><u>191,492</u></u>	<u><u>99,280</u></u>

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
ABN 31 739 604 819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

Note	2004 \$	2003 \$
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NOTE 13: RELATED PARTY TRANSACTIONS

(a) During the year the organisation paid the following amounts to the entities related to Committee members:

- Linarra Pty Ltd, an associated entity of Brett Willis, \$215 for a members seminar
- EQ Cafe Bar, an associated entity of Dur-e Dara, \$492 for food and beverages
- Zinc at Federation Square, an associated entity of Roslyn Harvey, \$16,454 for catering

(b) All payments were made on an arms length basis on normal commercial terms and conditions.

NOTE 14: SEGMENT REPORTING

The Association operates in one business and geographical segment, being the representation of restaurants, cafes, caterers and food service businesses within Victoria, Australia

NOTE 15: 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
Cash at bank	<u>160,257</u>	<u>26,936</u>
	<u>160,457</u>	<u>27,136</u>

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

Profit from ordinary activities after income tax	92,212	71,500
Non-cash flows in profit from ordinary activities		
Depreciation	1,754	2,428
Write-downs to recoverable amount	85,826	-
Net GST gross up	(50)	-
Share of associated company's net profit	(23,391)	-
Changes in assets and liabilities		
Increase/(decrease) in receivables	(64,918)	(7,177)
Increase in other assets	-	(825)
Increase in deposits	-	(761)
increase/(decrease) in payables	6,493	(39,224)
Increase in provisions	<u>728</u>	<u>3,111</u>
Cash flows from operations	<u>98,654</u>	<u>29,052</u>

NOTE 16: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

RESTAURANT AND CATERING ASSOCIATION OF VICTORIA
ABN 31 739 604 819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

	Weighted Average Effective		Floating Interest Rate		Non Interest Bearing		Total	
	Interest Rate		2004		2003		2004	
	2004	2003	2004	2003	2004	2003	2004	2003
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	4.06	1.30	160,457	27,136	-	-	160,457	27,136
Receivables	-	-	-	-	54,844	119,762	54,844	119,762
Total Financial Assets			<u>160,457</u>	<u>27,136</u>	<u>54,844</u>	<u>119,762</u>	<u>215,301</u>	<u>146,898</u>
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	41,993	42,939	41,993	42,939
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>41,993</u>	<u>42,939</u>	<u>41,993</u>	<u>42,939</u>

(b) Net Fair Values

For assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 17: 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 read 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 an application made under sub-section 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 sub-section (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.



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INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE RESTAURANT & CATERING ASSOCIATION OF VICTORIA

Scope

The financial report and committee members' responsibility:

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Committee of Management Statement of the Restaurant & Catering Association of Victoria, for the year ended 31 December 2004. The consolidated entity comprises both the Association and the entities it controlled during that year.

The Committee of Management is responsible for the preparation and true and fair presentation of the financial report in accordance with the *Workplace Relations Act 1996*. 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.

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 *Workplace Relations Act 1996*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Association and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

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 of Management.

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

Independence

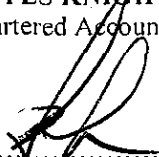
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *section 256 of the Workplace Relations Act 1996*.

INDEPENDENT AUDIT REPORT (CONTINUED)

Audit Opinion

In our opinion, the general purpose financial report of the Restaurant & Catering Association of Victoria presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia as well as the requirements of the RAO Schedule of the Workplace Relations Act 1996.

HAYES KNIGHT
Chartered Accountants



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Peter T. Sexton
Partner
Registered Company Auditor – 85044

Dated: *2 March 2005*

