



3 December 2015

Mr Matteo Pignatelli
President
Restaurant & Catering Industrial
PO Box 121
Surry Hills NSW 2010

via e-mail: info@restaurantcater.asn.au

Dear Mr Pignatelli

**Restaurant & Catering Industrial
Financial Report for the year ended 31 December 2013 - FR2013/462**

I acknowledge receipt of the amended financial report for the year ended 31 December 2013 for the Restaurant & Catering Industrial. The financial report was lodged with the Fair Work Commission on 27 November 2015.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

Restaurant & Catering Industrial

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER¹

Certificate for the period ended 31 December 2013

I Matteo Pignatelli being the President of the Restaurant & Catering Industrial certify:

- that the documents lodged herewith are copies of the full report for the Restaurant & Catering Industrial for the period ended 31 December 2012 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 27/11/2015; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 26/10/2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of designated officer:



.....

Matteo Pignatelli

President

Dated: 1/12/2015

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

- (a) the secretary; or
- (b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

Restaurant & Catering Association of Victoria

ABN 31 739 604 819

Financial Report

For the Year Ended 31 December 2013

Restaurant & Catering Association of Victoria

ABN 31 739 604 819

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Operating Report by Committee of Management For the Year Ended 31 December 2013

The committee members submit the financial report of the Association for the financial year ended 31 December 2013.

1. General information

Committee members

The names of committee members throughout the year and at the date of this report are:

Name	Position
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Matteo Pignatelli - continuing	President
Roslyn Grimes-Harvey - continuing	Vice President / Treasurer
Richard Harper - appointed 31 March 2013	Vice President
Neil Shankly - appointed 31 March 2013	
Bryan Derrick - continuing	
Andrew Blake - resigned 28 March 2014	
Mark Haynes - continuing	
Stephen Mercer - resigned 28 March 2014	
Christine Yong - continuing	
Jai Anand - appointed 31 March 2013	
Nicholas Kalogeropoulos - appointed 31 March 2013	
Tet Xu - appointed 31 March 2013	
Victoria Wilson - resigned 28 March 2014	

Principal activities

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

Significant changes

No significant change in the nature of these activities occurred during the year.

2. Operating results and review of operations for the year

Operating result

The surplus (deficit) of the Association for the financial year after providing for income tax amounted to \$ (375,011)(2012: \$ (13,037)).

Review of Operations

On 1 March 2013 the Restaurant and Catering Education Foundation Trust was set up and substantial sums were transferred from Restaurant and Catering Association of Victoria to the Trust.

The proposed vision for the Trust is to unite the entire National Restaurant and Catering Industry in an independent initiative to support sustainability and capacity.

The majority of the remaining assets and liabilities were transferred to Restaurant and Catering Industry Association of

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Operating Report by Committee of Management For the Year Ended 31 December 2013

Australia Incorporated during the year.

The realisation of these assets and liabilities resulted in a loss for the year of \$375,011 thus reducing the total equity from \$387,611 to \$12,600.

From 1 January 2013, Restaurant and Catering Industry Association of Australia Incorporated will meet the obligations and responsibilities of Restaurant and Catering Association of Victoria.

3. Other items

Events after the reporting date

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.

4. Number of members

The association had 713 members at the financial year end.

5. Number of employees

The association had 0 (2012: 3) employees at financial year end.

6. Trustees of superannuation funds

No officer or member of the Committee of Management was a:

- (i) 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 section (2) (d) of Schedule 1 of the *Fair Work (Registered Organisations) Act 2009*.

Restaurant & Catering Association of Victoria

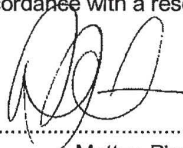
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Operating Report by Committee of Management For the Year Ended 31 December 2013

7. Members right to resign

Rule 10 of the Association's rules sets out the rights of the members in relation to resignation or termination of membership. The rule details the process members must follow in order to resign their membership, the related date membership would cease and the right of the Association to recover any dues payable. The rule also sets out the circumstances in which membership may be terminated by the Association and members rights to appeal these circumstances.

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

President: 
Matteo Pignatelli

Committee member: 
Roslyn Grimes-Harvey

Dated 23 November 2015

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2013

		2013	2012
	Note	\$	\$
Revenue	2	2,964	210,504
Other income	2	-	97,199
Employee benefits expense	3	-	(84,943)
Depreciation and amortisation expense		(6,904)	(13,203)
Professional fees		(5,800)	(10,651)
Occupancy expenses		-	(38,823)
Printing, postage and stationery		-	(10,631)
Functions and events		-	(12,620)
RCA management services		-	(94,730)
Advertising and promotion		-	(182)
Restaurant and Catering Australia expenses		-	(21,364)
Other expenses		(365,271)	(33,593)
Surplus (deficit) before income tax		(375,011)	(13,037)
Income tax expense	1(d)	-	-
Surplus (deficit) for the year		(375,011)	(13,037)
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		(375,011)	(13,037)

The accompanying notes form part of these financial statements.

Restaurant & Catering Association of Victoria

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Statement of Financial Position As At 31 December 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,031	172,005
Trade and other receivables	5	580	222,256
TOTAL CURRENT ASSETS		5,611	394,261
NON-CURRENT ASSETS			
Financial assets	6	14,108	16,035
Property, plant and equipment	7	-	54,329
Intangible assets	8	-	2,227
TOTAL NON-CURRENT ASSETS		14,108	72,591
TOTAL ASSETS		19,719	466,852
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	7,119	79,241
TOTAL CURRENT LIABILITIES		7,119	79,241
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		7,119	79,241
NET ASSETS		12,600	387,611
EQUITY			
Accumulated surplus		12,600	387,611
TOTAL EQUITY		12,600	387,611

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2013

2013

	Accumulated Surplus	Total
	\$	\$
Balance at 1 January 2013	387,611	387,611
Deficit for the financial year	(375,011)	(375,011)
Total other comprehensive income for the year	-	-
Balance at 31 December 2013	12,600	12,600

2012

	Accumulated Surplus	Total
	\$	\$
Balance at 1 January 2012	400,648	400,648
Deficit for the financial year	(13,037)	(13,037)
Total other comprehensive income for the year	-	-
Balance at 31 December 2012	387,611	387,611

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Subscriptions received		-	222,393
Payments to suppliers and employees		(169,938)	(447,529)
Interest received		2,964	8,329
Other receipts		-	90,855
Net cash provided by (used in) operating activities	11	(166,974)	(125,952)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash used by investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash used by financing activities		-	-
Net increase (decrease) in cash and cash equivalents held		(166,974)	(125,952)
Cash and cash equivalents at beginning of year		172,005	297,957
Cash and cash equivalents at end of financial year	4	5,031	172,005

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 31 December 2013

The financial statements cover Restaurant & Catering Association of Victoria as an individual entity. Restaurant & Catering Association of Victoria is a not-for-profit association incorporated in Victoria under the *Fair Work (Registered Organisations) Act 2009*.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(c) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Income Tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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Notes to the Financial Statements For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(f) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a reducing balance basis over the asset's useful life commencing from the time the asset is 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 depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	4% - 67%
Furniture, Fixtures and Fittings	10% - 40%
Leasehold improvements	2.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

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Notes to the Financial Statements For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(i) Critical accounting estimates and judgments

Key estimates - impairment of plant and equipment

The Association assesses impairment at the end of the reporting year by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(j) Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the reasons described below, uncertainty exists as to whether the association will be able to continue as a going concern:

- The association made a deficit of \$375,011 in 2013 (2012: \$13,037 deficit).
- At 31 December 2013, the association had an excess of current liabilities over current assets of \$1,508 (2013: \$315,020 net current assets).
- At 31 December 2013, the association had Members Funds of \$12,600 (2012: \$387,611).

There were amounts totalling \$7,119 shown as owing to other Restaurant and Catering bodies as at 31 December 2013. The association has received written assurances stating that these bodies will not call up their debts within twelve months from the date of this report.

The Committee of Management of the Restaurant & Catering Industry Association of Australia Incorporated ("RCA") has resolved that RCA will meet the obligations and responsibilities of Restaurant & Catering Association of Victoria from 1 January 2013.

Restaurant & Catering Association of Victoria

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Notes to the Financial Statements For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

(k) Adoption of new and revised accounting standards

The association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these accounting standards has not impacted the measurement or disclosure of any transaction for the association.

(l) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided against early adoption of these Standards. The following table summarises those future requirements that may be relevant to, and their impact on the Association:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	30 June 2014	This standard allows certain entities to reduce disclosures.	The entity has early adopted the RDR and therefore there will be no impact to the entity.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	Little impact.

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Notes to the Financial Statements For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(I) New Accounting Standards and Interpretations continued

AASB 13 Fair Value Measurement.	30 June 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.
AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]		There are a number of additional disclosure requirements.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 2012-2 - Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7]	30 June 2014	Requires the inclusion of information about the effect or potential effect of netting arrangements.	There is no impact on disclosures as there are no offsetting arrangements currently in place.
AASB 2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	30 June 2014	AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments. AASB 116 - clarifies the classification of servicing equipment. AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes AASB 134 - provides clarification about segment reporting.	No expected impact on the entities financial position or performance.

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Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(I) New Accounting Standards and Interpretations continued

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	30 June 2014	Removes reference to withdrawn Interpretation 1039.	No impact on the financial statements.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

2 Revenue and Other Income

Revenue

	2013	2012
	\$	\$
Member subscriptions	-	202,175
Interest received	2,964	8,329
	<u>2,964</u>	<u>210,504</u>

From 1 July 2012 all member subscriptions were received by and recorded in the financial records of Restaurant & Catering Industry Association of Australia Incorporated ("RCA") due to the expected combination of many state based associations into the national body (RCA).

Other Income

Commissions	-	38,661
Sponsorship income	-	34,891
Sundry income	-	23,647
	<u>-</u>	<u>97,199</u>

3 Result for the Year

The result for the year includes the following specific expenses

Employee benefits expense - office holders	-	-
Employee benefits expense - other employees	-	84,943

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Notes to the Financial Statements For the Year Ended 31 December 2013

4 Cash and cash equivalents

	2013	2012
	\$	\$
Cash at bank and in hand	5,031	172,005

5 Trade and other receivables

CURRENT

Trade receivables	-	6,155
Related party receivables	-	150,367
Other receivables	580	65,734
	580	222,256

Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

Balance at beginning of the year	-	-
Balance at end of the year	-	-

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

6 Other financial assets

Security deposit for lease	14,108	16,035
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Notes to the Financial Statements For the Year Ended 31 December 2013

7 Plant and equipment

	2013 \$	2012 \$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	-	34,422
Accumulated depreciation	-	(25,096)
Total plant and equipment	-	9,326
Furniture, fixtures and fittings		
At cost	-	36,720
Accumulated depreciation	-	(17,217)
Total furniture, fixtures and fittings	-	19,503
Improvements		
At cost	-	39,281
Accumulated depreciation	-	(13,781)
Total improvements	-	25,500
	-	54,329

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Improvement s \$	Total \$
Year ended 31 December 2013				
Balance at the beginning of year	9,326	19,503	25,500	54,329
Disposals - written down value	(8,462)	(18,140)	(22,554)	(49,156)
Depreciation expense	(864)	(1,363)	(2,946)	(5,173)
Balance at the end of the year	-	-	-	-

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Notes to the Financial Statements For the Year Ended 31 December 2013

8 Intangible Assets

	2013	2012
	\$	\$
Computer software, other		
Cost	-	17,310
Accumulated amortisation and impairment	-	(15,083)
	<u>-</u>	<u>2,227</u>

9 Trade and other payables

CURRENT

Unsecured liabilities

Trade payables

Other payables

	7,119	33,778
	-	45,463
	<u>7,119</u>	<u>79,241</u>

Financial liabilities at amortised cost classified as trade and other payables

Note

Trade and other payables:

- total current

Financial liabilities as trade and other payables

	7,119	79,241
12	<u>7,119</u>	<u>79,241</u>

Collateral pledged

No collateral has been pledged for any of the trade and other payable balances.

10 Employee Benefits

Current liabilities

Provision for employee benefits - office holders

Provision for employee benefits - other employees

-	-
<u>-</u>	<u>-</u>

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Notes to the Financial Statements For the Year Ended 31 December 2013

11 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2013	2012
	\$	\$
Deficit for the year	(375,011)	(13,037)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	6,904	13,203
- bad debts expense	22,920	-
- net loss on disposal of property, plant and equipment	48,688	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	198,756	(63,351)
- (increase)/decrease in other assets	2,891	2,104
- increase/(decrease) in trade and other payables	(72,122)	(46,981)
- increase/(decrease) in employee benefits	-	(8,057)
- increase/(decrease) in other liabilities	-	(9,833)
Cashflow from operations	<u>(166,974)</u>	<u>(125,952)</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2013

12 Financial Risk Management

The main risks Restaurant & Catering Association of Victoria is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and loans to related parties.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2013	2012
	\$	\$
Financial Assets		
Cash and cash equivalents	5,031	172,005
Held-to-maturity investments	14,108	16,035
Total financial assets	19,139	188,040
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	7,119	79,241
Total financial liabilities	7,119	79,241

Financial risk management policies

The Committee of Management has overall responsibility for the establishment of Restaurant & Catering Association of Victoria's financial risk management framework. This includes the development of policies covering specific areas of risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Restaurant & Catering Association of Victoria's activities.

Restaurant & Catering Association of Victoria does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Restaurant & Catering Association of Victoria and arises principally from Restaurant & Catering Association of Victoria's receivables.

It is Restaurant & Catering Association of Victoria's policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the Committee of Management, these limits are reviewed on a regular basis.

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Notes to the Financial Statements For the Year Ended 31 December 2013

12 Financial Risk Management continued

(b) Liquidity risk

Liquidity risk arises from the possibility that Restaurant & Catering Association of Victoria might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Restaurant & Catering Association of Victoria ensures that it has sufficient cash on demand to meet expected operational expenses.

The available funds to the Association are discussed in note 4.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Association is also exposed to earnings volatility on floating rate instruments.

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities as presented in the statement of financial position are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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Notes to the Financial Statements For the Year Ended 31 December 2013

12 Financial Risk Management continued

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

13 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Restaurant & Catering Association of Victoria is a part of the Restaurant & Catering group of entities however no ownership is held by any group entity of another group entity.

During the previous financial year, management of Restaurant & Catering Association of Victoria was carried out by Restaurant and Catering Australia and the following amounts were paid for these services:

	2013	2012
	\$	\$
Management services	-	32,500
Expenses reimbursed	-	81,190
Total	-	113,690

During the current financial year, the following related party amounts were included in Other Operating Expenses:

Amount owing by Restaurant and Catering Australia written off	50,000	-
Amount owing by Restaurant and Caterers' Association of Queensland written off	18,048	-
Book value of Fixed Assets transferred to Restaurant and Catering Australia	49,652	-
Term Deposits transferred to Restaurant and Catering Australia	82,750	-
As per Committee Meeting dated 27 June 2013 - Residual Funds be contributed to the Restaurant and Catering Education Foundation Trust for the sole purpose of hospitality education and training in the State of Victoria	162,616	-

Restaurant & Catering Association of Victoria

ABN 31 739 604 819

Notes to the Financial Statements

For the Year Ended 31 December 2013

Balances from related parties

	2013	2012
	\$	\$
CURRENT		
Amounts receivable from:		
- related associations	-	150,367
- provision for doubtful debts	-	-
CURRENT		
Amounts payable to:		
- related associations	7,119	-

14 Capital and Leasing Commitments

(a) Finance Leases

No finance leases are in place.

(b) Operating Leases

No finance leases are in place.

15 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Restaurant & Catering Association of Victoria during the year are as follows: Nil

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 13: Related Party Transactions.

16 Auditors' Remuneration

Remuneration of the auditor of the Association for:

- auditing or reviewing the financial report	5,800	10,500
- other services	-	-

17 Contingent Liabilities and Contingent Assets

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2013 (31 December 2012:None).

Restaurant & Catering Association of Victoria

ABN 31 739 604 819

Notes to the Financial Statements

For the Year Ended 31 December 2013

18 Events Occurring After the Reporting Date

The financial report was authorised for issue on 23 November 2015 by the Committee of Management.

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.

19 Information to be provided to Members or the General Manager

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of sub-sections 1, 2 and 3 of section 272(5) which reads as follows:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

(4) Activities identified below have not occurred during the reporting period:

- business combinations;
- compulsory levies raised;
- donations or grants received;
- financial support received from another reporting unit;
- affiliation fees paid to each entity;
- compulsory levies imposed;
- grants or donations paid;
- fees or allowances paid to persons to attend a conference or other meeting as a representative of the reporting
- expenses incurred with holding meeting of members or any conferences or meeting of councils, committees,
- legal costs or other litigation expenses incurred;
- penalties imposed under the *Fair Work (Registered Organisations) Act 2009*; and

Restaurant & Catering Association of Victoria

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Notes to the Financial Statements For the Year Ended 31 December 2013

19 Information to be provided to Members or the General Manager continued

- payables in respect of legal costs and other expenses related to litigation or other legal matters.

20 Financial affairs administered by another entity

The financial affairs of the association are administered by Restaurant & Catering Industry Association of Australia Incorporated.

21 Association Details

The registered office of the association is:
Restaurant & Catering Association of Victoria
Level 3
154 Pacific Highway
ST LEONARDS NSW 2065

Restaurant & Catering Association of Victoria

ABN 31 739 604 819

Committee of Management Statement

The committee of management of the Association declares that in its opinion:

- a. the financial statements and notes, as set out on pages 4 to 22, comply with the Australian Accounting Standards;
- b. the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- c. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 31 December 2013;
- 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; and
- e. during the financial year ended 31 December 2013 and since the end of the year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation;
 - ii. the financial affairs of the Association have been managed in accordance with the rules of the organisation;
 - iii. the financial records of the Association have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*;
 - iv. the information sought in a request of a member (if any) of the Association or the General Manager of the Fair Work Commission duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been furnished to the member or General Manager of the Fair Work Commission; and
 - v. there has been compliance with any order for inspection of financial records made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*.

This declaration is made in accordance with a resolution of the committee of management made on 26 September 2014.

President
Matteo Pignatelli

Treasurer
Roslyn Grimes-Harvey

Dated 23 November 2015

partners

A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

associate

M A Nakkan CA

consultant

C H Barnes FCA

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Restaurant & Catering Association of Victoria

ABN 31 739 604 819

Independent Auditor's Report to the members of Restaurant & Catering Association of Victoria

Report on the Financial Report

We have audited the accompanying financial report of Restaurant & Catering Association of Victoria, which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee of management statement.

Committee of Management's Responsibility for the Financial Report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

partners

A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

associate

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Restaurant & Catering Association of Victoria

ABN 31 739 604 819

Independent Auditor's Report to the members of Restaurant & Catering Association of Victoria

Opinion

In our opinion, the financial report of Restaurant & Catering Association of Victoria is in accordance with the Fair Work (Registered Organisations) Act 2009, including giving a true and fair view of the association's financial position as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Material Uncertainty Regarding Continuation as a Going Concern

We have concluded that management's use of the going concern assumption in the preparation of the financial report is appropriate. We draw attention to Note 1(j) in the financial report which indicates that the association made a deficit of \$375,011 for the period ended 31 December 2013 and as at that date the association's current liabilities exceed its current assets by \$1,508 and had equity of \$12,600. These conditions along with other matters as set in Note 1(j), indicate the existence of a material uncertainty which casts significant doubt about the association's ability to continue as a going concern and 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.

Our opinion is not qualified in respect of this matter.

BDJ Partners
Chartered Accountants



.....
Gregory W Cliffe
Partner
Registered Company Auditor Number 450101

Dated 26 November 2015