
THE
ROYAL AUSTRALIAN AIR FORCE
WELFARE RECREATIONAL COMPANY
ANNUAL REPORT 2008 - 2009

RAAF WELFARE RECREATIONAL COMPANY

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the accounts of RAAF Welfare Recreational Company for the year ended 30 June 2009 and the auditors' report thereon.

DIRECTORS

The Directors in office at the date of this report are:

AIR COMMODORE	John Stephen Hewitson, AM Director General Personnel - Air Force Director since 2007
AIR COMMODORE	Peter David Brennan, CSC Director Logistics Support Agency - Air Force Director since 2007
GROUP CAPTAIN (Rtd)	David Bruce Green Logistics Director since 2003
FLIGHT LIEUTENANT	Kim Michelle Samin, OAM Directorate Personnel - Air Force Director since 2001
WARRANT OFFICER	John J Millar Warrant Officer - RAAF Director since 2008
WARRANT OFFICER	Gina Maree Goninon HQ Air Force Training Group Director since 2003

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were to act as trustee for the RAAF Central Welfare Trust Fund.

There were no changes in the nature of activities of the company during the year.

RAAF WELFARE RECREATIONAL COMPANY

OPERATING RESULTS

Since the company acted solely as trustee and did not carry on any business activity on its own behalf, the company did not earn a profit or incur a loss during the year.

REVIEW OF OPERATIONS

A review of operations is not applicable as the company has not carried on any business activity on its own behalf during the year.

CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the company's accounts.

FUTURE DEVELOPMENTS

The company will continue to act solely as trustee and, at the date of this report, the Directors believe the company will not carry out any business activity on its own behalf in the foreseeable future. Accordingly, no operating result is likely to arise in the future.

AFTER BALANCE DATE EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the company, to effect substantially the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

DIVIDENDS / DISTRIBUTIONS

There were no dividends / distributions recommended, declared or paid to members.

INDEMNITIES AND INSURANCE PREMIUMS FOR OFFICERS

During the financial year, the Company paid a premium in respect of a policy insuring Directors and Officers against a liability incurred as such a Director or Officer to the extent permitted by the Corporations Law.

RAAF WELFARE RECREATIONAL COMPANY

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during and since the end of the financial year and the number of meetings attended by each director.

		Board Meetings	
		Meetings eligible to attend	Meetings attended
AIR COMMODORE	John Stephen Hewitson, AM	4	3
GROUP CAPTAIN	Peter David Brennan, CSC	4	2
GROUP CAPTAIN (Rtd)	David Bruce Green	4	4
FLIGHT LIEUTENANT	Kim Michelle Samin, OAM	4	3
WARRANT OFFICER	Raymond Ashley Woolnough, AM	2	2
WARRANT OFFICER	John J Miller	3	3
WARRANT OFFICER	Gina Maree Goninon	4	3

In the cases of absences, directors were absent due to work commitments. In all instances leave of absence was sought and approved.

DIRECTORS' INTERESTS AND BENEFITS

During or since the end of the previous financial year no Director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts, or the fixed salary of a full-time employee of the company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4

Dated at Canberra this 20th day of October 2009.

Signed in accordance with a resolution of the Directors.

Director

Director



**RAAF WELFARE RECREATIONAL COMPANY
FINANCIAL REPORT 2008-09
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the RAAF Welfare Recreational Company for the year ended 30 June 2009, to the best of my knowledge and belief, there have been:

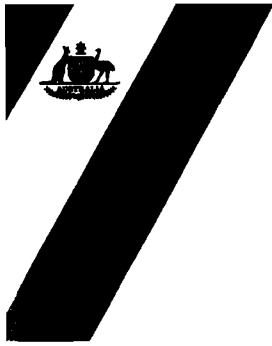
- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Jocelyn Ashford
Executive Director

Delegate of the Auditor-General

Canberra
20 October 2009



INDEPENDENT AUDITOR'S REPORT

To the Directors' of RAAF Welfare Recreational Company

Scope

I have audited the accompanying financial report of RAAF Welfare Recreational Company, which comprises the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Recognised Income and Expenditure and Cash Flow Statement for the year ended on that date, Notes to and forming part of the Financial Statements including a Summary of Significant Accounting Policies, and the Directors' Declaration.

The Directors' Responsibility for the Financial Report

The directors of the RAAF Welfare Recreational Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In my opinion the financial report of RAAF Welfare Recreational Company is in accordance with the *Corporations Act 2001*:

- (i) giving a true and fair view of RAAF Welfare Recreational Company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Australian National Audit Office



Jocelyn Ashford
Executive Director
Delegate of the Auditor-General

Canberra

20 October 2009

RAAF WELFARE RECREATIONAL COMPANY

DIRECTORS DECLARATION

NB: THIS STATEMENT MAY NOT COMPLY WITH THE CAC Act

The Directors of the Company declare that:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position of the Company as at 30 June 2009 and of its performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Canberra this 20th day of October 2009.

On behalf of the Directors



Director



Director

RAAF WELFARE RECREATIONAL COMPANY

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	NOTE	2009	2008
Revenues from ordinary activities	2	-	-
Expenses from ordinary activities		-	-
Operating result		<u>-</u>	<u>-</u>

The above Income Statement is to be read in conjunction with the notes to and forming part of the accounts set out on pages 12 to 15.

RAAF WELFARE RECREATIONAL COMPANY

BALANCE SHEET AS AT 30 JUNE 2009

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Receivables	8	40,611	52,201
TOTAL CURRENT ASSETS		40,611	52,201
NON CURRENT ASSETS			
Receivables		-	-
TOTAL NON CURRENT ASSETS		-	-
TOTAL ASSETS		40,611	52,201
CURRENT LIABILITIES			
Payables	9	38,737	50,327
Provisions	10	1,874	1,874
TOTAL CURRENT LIABILITIES		40,611	52,201
NON CURRENT LIABILITIES			
Payables		-	-
TOTAL NON CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		40,611	52,201
NET ASSETS		-	-
EQUITY			
Members Funds		-	-

The above Balance Sheet is to be read in conjunction with the notes to and forming part of the accounts set out on pages 12 to 15.

RAAF WELFARE RECREATIONAL COMPANY
STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
Balance beginning and end of year	<u>Nil</u>	<u>Nil</u>

The above Statement of Recognised Income and Expenditure is to be read in conjunction with the notes to and forming part of the accounts set out on pages 12 to 15.

RAAF WELFARE RECREATIONAL COMPANY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

CASH FLOWS FROM OPERATING ACTIVITIES

	2009	2008
	\$	\$
Cash Received	nil	nil
Total Cash Received	nil	nil

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Used	nil	nil
Total Cash Used	nil	nil

Net Cash provided	5	nil	nil
Cash at beginning of reporting period		nil	nil
Cash at end of year	5	nil	nil

The above Cash Flow Statement is to be read in conjunction with the notes to, and forming part of the accounts set out on pages 12 to 15.

RAAF WELFARE RECREATIONAL COMPANY

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for the entity RAAF Welfare Recreational Company as an individual entity. The Company is a company limited by guarantee, incorporated and domiciled in Australia.

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

Basis of Preparation

Reporting Basis and Conventions

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

(a) Segment Information

The company acts as trustee for the RAAF Central Welfare Trust Fund which operates predominantly in one business and geographical segment, being the tourism and hospitality industry throughout Australia.

The Company did not trade in its own right during the financial year.

(b) Goods and Services Tax

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the balance sheet are shown exclusive of GST.

RAAF WELFARE RECREATIONAL COMPANY

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2009

2 OPERATING REVENUE

All expenditure incurred in administering the RAAF Welfare Recreational Company is reimbursed from the trust's funds. Accordingly, there was no result for the financial year, nor any information concerning financial performance items required to be disclosed.

3 TRUST LIABILITIES

Liabilities incurred on behalf of the Trust are liabilities of the company and have been included in the company Balance Sheet, together with the corresponding right to be indemnified out of Trust assets. Only liabilities (including provisions) of a legal or statutory nature have been included with the accounts.

4 RIGHT OF INDEMNITY

The book value of the assets of the trust, based on the trust's accounting policies and as reflected in the trust's Balance Sheet as at 30 June 2009, exceed the liabilities of the trust as at 30 June 2009. The Directors believe that the assets of the trust are both in a form appropriate and are sufficient to meet the trustee's right of indemnity from the trust for liabilities incurred on behalf of the trust as and when they fall due. However, the trust's assets supporting the right of indemnity are not directly available to meet any liabilities by the company acting in its own right.

5 CASH FLOW STATEMENT

The Company acted solely as trustee of the Trust and did not carry on any business activity on its own behalf during the current year or the preceding year.

Therefore, there were no cash flows in relation to the company during the current or preceding financial year. All movements in assets and liabilities relate to the Trust and are not cash flows of the trustee.

6 COMPANY LIMITED BY GUARANTEE

The RAAF Welfare Recreational Company is a company Limited by Guarantee and by its Memorandum and Articles of Association members' liability is restricted to \$10 per member. At 30 June 2009, the company had seven members.

RAAF WELFARE RECREATIONAL COMPANY

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
7 AUDITORS' REMUNERATION		
Amounts received or due and receivable for:		
Audit or review	5,550	5,000
Other Services		3,400
	<u>5,550</u>	<u>8,400</u>
Auditors remuneration is re-imbursed from Trust funds.		
	<u>5,550</u>	<u>8,400</u>
8 RECEIVABLES		
CURRENT		
Right of indemnity for liabilities incurred by the company on behalf of the Trust	40,611	52,201
	<u>40,611</u>	<u>52,201</u>
NON-CURRENT		
Right of indemnity for liabilities incurred by the company on behalf of the Trust	-	-
	<u>-</u>	<u>-</u>
9 PAYABLES		
CURRENT		
Rentals in Advance	23,102	32,784
Trade creditors and accrued expenses	15,635	17,543
	<u>38,737</u>	<u>50,327</u>

RAAF WELFARE RECREATIONAL COMPANY

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2009

10	PROVISIONS	2009	2008
	AVM B.A. Eaton Memorial	<u>1,874</u>	<u>1,874</u>

11 RELATED PARTY DISCLOSURES

DIRECTORS

The names of each person holding the position of Director of the company during the financial year are:

AIR COMMODORE	John Stephen Hewitson, AM	
AIR COMMODORE	Peter David Brennan, CSC	
GROUP CAPTAIN (Rtd)	David Bruce Green	
FLIGHT LIEUTENANT	Kim Michelle Samin, OAM	
WARRANT OFFICER	Raymond Ashley Woolnough, AM	(resigned 16 December 08)
WARRANT OFFICER	John J Millar	(appointed 16 December 08)
WARRANT OFFICER	Gina Maree Goninon	

RELATED PARTY TRANSACTIONS

The company acts solely as trustee for the RAAF Central Welfare Trust Fund. Also refer to note 3, 4 and 5.

RAAF WELFARE RECREATIONAL COMPANY

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during and since the end of the financial year and the number of meetings attended by each director.

		Board Meetings	
		Meetings eligible to attend	Meetings attended
AIR COMMODORE	John Stephen Hewitson, AM	4	3
GROUP CAPTAIN	Peter David Brennan, CSC	4	2
GROUP CAPTAIN (Rtd)	David Bruce Green	4	4
FLIGHT LIEUTENANT	Kim Michelle Samin, OAM	4	3
WARRANT OFFICER	Raymond Ashley Woolnough, AM	2	2
WARRANT OFFICER	John J Miller	3	3
WARRANT OFFICER	Gina Maree Goninon	4	3

In the cases of absences, directors were absent due to work commitments. In all instances leave of absence was sought and approved.

DIRECTORS' INTERESTS AND BENEFITS

During or since the end of the previous financial year no Director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts, or the fixed salary of a full-time employee of the company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4

Dated at Canberra this 20th day of October 2009.

Signed in accordance with a resolution of the Directors.

Director

Director

RAAF CENTRAL WELFARE TRUST FUND

Income Statement for the year ended 30 June 2009

	Notes	2009 \$	2008 \$
Revenues from continuing operations	3	<u>515,931</u>	<u>636,575</u>
Total revenue from continuing operations		<u>515,931</u>	<u>636,575</u>
Expenses from continuing operations			
Properties expenses		537,818	587,181
Other expenses from ordinary operations		<u>18,229</u>	<u>19,159</u>
Total expenses from continuing operations		<u>556,047</u>	<u>606,339</u>
Operating surplus (deficit)	4	-40,116	30,235
Income Tax Expense	1 (c)		
Operating surplus (deficit) from operations		<u>-40,116</u>	<u>30,235</u>

The above Income Statement is to be read in conjunction with the notes to and forming part of the accounts set out on pages 5 to 15

RAAF CENTRAL WELFARE TRUST FUND
Balance Sheet
as at 30 June 2009

	Notes	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,383,388	1,352,060
Receivables	6	32,063	69,741
Other current assets	7	25,266	16,838
Total current assets		<u>1,440,717</u>	<u>1,438,639</u>
Non-current assets			
Receivables	6	4,709	4,709
Other Financial assets	8	640,704	757,724
Other non-current assets	9	8,836	8,836
Property, plant and equipment	10	5,892,469	5,786,298
Total non-current assets		<u>6,346,718</u>	<u>6,559,567</u>
Total assets		<u>7,787,434</u>	<u>7,998,205</u>
LIABILITIES			
Current liabilities			
Payables	11	38,737	50,327
Provisions	12	1,874	1,874
Total current liabilities		<u>40,611</u>	<u>52,201</u>
Total Liabilities		<u>40,611</u>	<u>52,201</u>
Net Assets		<u>7,746,824</u>	<u>7,946,004</u>
EQUITY			
Reserves	13	3,338,801	3,497,865
Retained surplus	14	4,408,023	4,448,139
Total equity		<u>7,746,824</u>	<u>7,946,004</u>

The above Balance Sheet is to be read in conjunction with the notes
to and forming part of the accounts set out on pages 5 to 15

RAAF CENTRAL WELFARE TRUST FUND

Statement of Recognised Income and Expenditure for the year ended 30 June 2009

	Note	Retained Earnings \$	Asset Revaluation Reserve \$	Financial Assets Reserve \$	Asset Realisation Reserve \$	Total Equity \$
Balance at 1 July 2007		4,417,904	2,859,521	120,923	672,531	8,070,879
Surplus (deficit) attributable to members of the Trust Fund	1(i)	30,235				30,235
Revaluation increment (decrement)				-155,110		-155,110
Balance at 30 June 2008		4,448,139	2,859,521	-34,187	672,531	7,946,004
Surplus (deficit) attributable to members of the Trust Fund	1(i)	-40,116				-40,116
Revaluation increment (decrement)				-159,065		-159,065
Balance at 30 June 2009		4,408,023	2,859,521	-193,252	672,531	7,746,824

The above Statement of Recognised Income and Expenditure is to be read in conjunction with the notes to and forming part of the accounts on pages 5 to 15

RAAF CENTRAL WELFARE TRUST FUND

Cash Flow Statement for the year ended 30 June 2009

	Notes	2009 \$	2008 \$
Cash Flows from operating activities			
Receipts from customers		407,791	467,471
Payments to suppliers and contractors		-446,841	-493,266
Interest received		85,401	79,408
Energy rebates		-	7,560
Distribution from managed fund - IPAC		42,045	124,007
Refund of imputation credits		2,413	3,085
Grants paid		-4,777	-1,250
Net Cash provided by operating activities	17 (b)	<u>88,031</u>	<u>187,015</u>
Cash Flows from Investing activities			
Proceeds from loan repayments		1,200	2,011
Loans made to Defence Entities and associated Entities		-	-
Proceeds from sale of plant & equipment		-	-
Payment for property, plant and equipment		-13,858	-100,812
Payment for investments		-42,045	-124,007
Net cash (used) / provided by investing activities		<u>-54,704</u>	<u>-222,608</u>
Net increase (decrease) in cash held		31,328	-35,593
Cash at beginning of year		1,352,060	1,387,653
Cash at end of year	17 (a)	<u>1,383,388</u>	<u>1,352,060</u>

The above Cash Flow Statement is to be read in conjunction with the notes
to and forming part of the accounts set out on pages 5 to 15

RAAF CENTRAL WELFARE TRUST FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the RAAF Central Welfare Trust Fund as an individual entity. The RAAF Central Welfare Trust Fund is incorporated and domiciled in Australia.

The financial report of the Trust Fund as an individual entity complies with all International Financial Reporting Standards (IFRS) in their entirety.

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

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

(a) Property, Plant and Equipment

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

Property

Freehold land and building are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the RAAF Central Welfare Trust Fund to have land and buildings independently valued progressively every three to five years.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment of losses.

The carrying amount of plant and equipment is reviewed periodically by directors to ensure it is not in excess of the recoverable amount from these 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 cash flows have not been discounted to their present value in determining the recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the RAAF Central Welfare Trust Fund 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:

Class of Asset	Depreciation Rate
Buildings	2%
Furniture & Fittings	15 - 20 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

RAAF CENTRAL WELFARE TRUST FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$200 and above individually are capitalised.

(b) 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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(c) Income Tax

The RAAF Central Welfare Trust Fund is exempt from income tax by virtue of RWRC being endorsed as an Income Tax exempt charitable institution.

(d) Revenue

Revenue from rental accommodation is recognised on a proportional basis taking into account the period for which rent is received.

Revenue from the sale of goods is recognised upon delivery of goods to the customer.

Revenue from managed investment funds are recognised as and when distributions are declared by the fund manager.

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

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

(e) Goods and Services Tax

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 Tax 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 the expense. Receivables and payables in the statement of financial position are shown exclusive of GST.

(f) Comparative Figures

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

Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates – Impairment

The company assesses impairment at each reporting date by evaluation conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(g) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

RAAF CENTRAL WELFARE TRUST FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity

(h) Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Trust Fund prior to the end of the financial year that are unpaid and arise when the Trust Fund becomes obliged to make future payments in respect of the purchase of these goods and services

(i) Rounding of amounts

Amounts in the financial report have been rounded off to the nearest dollar.

(j) Retrospective Restatement

In the prior year an amount of \$34,187 described as impairment of IPAC investment was incorrectly recognised as an expense in the financial accounts. The above amount represented the decrement below cost of the investment and such loss should have been recognised directly to the equity account in accordance with Accounting Standard AASB 139 para 55 (b).

Accordingly, a retrospective restatement has been made to the prior year operating results as follows:

- (a) The prior year's operating loss of (3,952) was adjusted by \$34,187 resulting in an operating surplus of \$30,235.
- (b) The equity account cited as financial asset reserve changed from a NIL balance to a closing loss of (34,187).

This adjustment affected the comparative line items in the income statement, balance sheet, reserves, statement of recognised income and expenditure including notes 4, 8 13, 14 and 17 disclosures.

RAAF CENTRAL WELFARE TRUST FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 2. International Financial Reporting Standards (IFRS)

In 2006 the Trust Fund adopted the Australian Equivalents to International Financial Reporting Standards which included a full reconciliation of the financial effects of this transition including comparative figures for the previous period.

NOTE 3. REVENUE	2009	2008
	\$	\$
Operating Activities		
Accommodation and other rentals	414,187	462,203
Interest	80,250	82,822
Energy rebates	-	7,560
Distributions - IPAC	18,056	81,578
Other	3,458	2,413
	<u>515,931</u>	<u>636,575</u>
Non Operating Activities		
Net gain on disposal of property, plant and equipment	-	-
Total Revenue	<u>515,931</u>	<u>636,575</u>

NOTE 4. SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES

Surplus (deficit) from ordinary activities before income tax has been determined after:

(a) Expenses		
Lease rental of apartments	84,583	117,072
Depreciation of buildings	82,464	82,336
Depreciation of Plant and Equipment	28,004	28,494
Disposal adjustments	1,229	-
Remuneration of Auditor:		
Current year		
- Audit or review	7,500	5,000
- Other services	-	2,500
Prior year under accrual		
- Audit or review	-	-
- Other services	-	900
	<u>-</u>	<u>900</u>

NOTE 5. CASH AND CASH EQUIVALENTS

Cash on hand	495	495
Cash at Bank	20,443	35,871
Deposits at Call	1,362,449	1,315,694
	<u>1,383,388</u>	<u>1,352,060</u>

NOTE 6. RECEIVABLES - CURRENT

Accrued Interest	15,344	20,494
GST Credit	6,693	8,401
Sundry Debtors	8,469	37,979
	<u>30,398</u>	<u>66,874</u>
Loans - Interest bearing	1,867	2,867
Total Current receivables	<u>32,063</u>	<u>69,741</u>
RECEIVABLES - NON CURRENT		
Loans - Interest bearing	<u>4,709</u>	<u>4,709</u>

NOTE 7. OTHER CURRENT ASSETS

Prepayments	<u>25,268</u>	<u>16,838</u>
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RAAF CENTRAL WELFARE TRUST FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 8. OTHER FINANCIAL ASSETS - NON-CURRENT

	2009	2008
	\$	\$
Available-for-sale financial assets at fair value		
(a) IPAC Portfolio Management Ltd (note i)		
Balance beginning of year	757,713	788,817
Additions/ Reinvestments	42,045	124,007
Revaluation decrement	-159,085	-155,110
Carrying amount end of year	640,684	757,714
(b) Shares in DEFCREDIT		
Balance beginning of year	10	10
Total Financial Assets	640,704	757,724

Note (i) The IPAC investment is a managed fund which makes periodical distributions to its investors. There are no fixed returns or maturity dates attached to this investment

NOTE 9. OTHER NON-CURRENT ASSETS

Security Deposits	8,836	8,836
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NOTE 10.

(a) PROPERTY, PLANT AND EQUIPMENT

	2009			2008		
	COST OR FAIR VALUE \$	ACC'D DEPN \$	NET CARRYING VALUE \$	COST OR FAIR VALUE \$	ACC'D DEPN \$	NET CARRYING VALUE \$
Property						
(***)Independent valuation as at 30 June 2006 (**** Independent valuation as at 30 June 2006)						
10-16 Marine Parade Merimbula Tuscany Apartments - Buildings Land	**** 1,825,717 367,200 <u>2,192,917</u>	108,573 - <u>108,573</u>	1,719,144 367,200 <u>2,086,344</u>	1,825,717 367,200 <u>2,192,917</u>	70,059 - <u>70,059</u>	1,755,658 367,200 <u>2,122,858</u>
Surfers Paradise Ambassador Apartments - Buildings Land	*** 2,297,000 1,368,000 <u>3,665,000</u>	137,820 - <u>137,820</u>	2,159,180 1,368,000 <u>3,527,180</u>	2,297,000 1,368,000 <u>3,665,000</u>	91,880 - <u>91,880</u>	2,205,120 1,368,000 <u>3,573,120</u>
Total Property	5,887,917	244,393	5,613,524	5,857,917	161,939	5,695,978
Plant and Equipment						
SURFERS PARADISE						
Flats	204,817	182,929	51,889	201,405	143,432	57,973
Office	1,071	246	826	1,071	174	897
Laundry	3,519	2,906	613	3,519	2,632	887
Outdoor Equipment	3,017	3,017	-	3,017	3,017	-
MERIMBULA						
Flats	121,389	97,606	23,784	121,389	88,826	32,563
Office	498	498	-	498	498	-
Outdoor Equipment	1,074	1,074	-	1,074	1,074	-
HEAD OFFICE						
Office	1,871	37	1,834	-	-	-
Total Plant and Equipment	337,257	256,312	78,945	331,974	239,654	92,320
Total Property, Plant and Equipment	6,195,174	502,705	5,692,469	6,189,891	401,593	5,788,298

RAAF CENTRAL WELFARE TRUST FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

(b) Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year.

	Freehold Land	Freehold Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	1,735,200	3,960,778	92,320	5,788,298
Additions			13,858	13,858
Disposals / Adjustments			-1,229	-1,229
Depreciation Expense		-82,454	-28,004	-108,458
Carrying amount at end of year	<u>1,735,200</u>	<u>3,878,324</u>	<u>78,945</u>	<u>5,692,469</u>

		2009 \$	2008 \$
NOTE 11. PAYABLES - CURRENT			
Trade Creditors and Accruals		15,835	17,543
Rentals in Advance		23,102	32,784
		<u>38,737</u>	<u>50,327</u>
NOTE 12. PROVISIONS - NON-CURRENT			
Provision for AVM B.A. Eaton Memorial		1,874	1,874
		<u>1,874</u>	<u>1,874</u>
NOTE 13. RESERVES		\$	\$
Asset Revaluation Reserve	10(a)	2,859,521	2,859,521
Asset Realisation Reserve	10(b)	672,531	672,531
Financial Assets Reserve	10(c)	-193,252	-34,187
		<u>3,338,801</u>	<u>3,497,865</u>
(a) Asset Revaluation Reserve			
Movements during the year:			
Opening Balance		2,859,521	2,859,521
Revaluation Increments of properties		-	-
Transfer to Asset Realisation Reserve		-	-
		<u>2,859,521</u>	<u>2,859,521</u>
(b) Asset Realisation Reserve			
Movements during the year:			
Opening Balance		672,531	672,531
Realisation during the year		-	-
Closing Balance		<u>672,531</u>	<u>672,531</u>
(c) Financial Asset Reserve			
Movements during the year:			
Opening Balance		-34,187	120,924
Revaluation decrement of IPAC Investment		-159,065	-155,111
		<u>-193,252</u>	<u>-34,187</u>
NOTE 14. RETAINED SURPLUS			
Retained surplus at the beginning of the year		4,448,139	4,417,904
Net surplus(deficit) for the year		-40,118	30,235
Retained surplus at the end of the financial year		<u>4,408,023</u>	<u>4,448,139</u>

RAAF CENTRAL WELFARE TRUST FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 15. RELATED PARTY TRANSACTIONS

(a) The directors of the Trustee Company, the RAAF Welfare Recreational Company, who held office during the financial year were:

AIR COMMODORE	John Stephen Hewitson, AM	
AIR COMMODORE	Peter David Brennan, CSC	
GROUP CAPTAIN (Rtd)	David Bruce Green	
FLIGHT LIEUTENANT	Kim Michelle Samin, OAM	
WARRANT OFFICER	Raymond Ashley Woolnough, AM	(resigned 25 Nov 08)
WARRANT OFFICER	John Joseph Miller	(appointed 25 Nov 08)
WARRANT OFFICER	Gina Maree Goninon	

(b) Transactions with Directors

No income was received or due or receivable by any director of the Trustee company:
 - from the Trust or any related party in connection with the management of the Trust
 - from the Trust in connection with the management of a related party

NOTE 16. SEGMENT REPORTING

The Trust operates throughout Australia for the purpose of providing subsidised holiday rental accommodation to members of the Australian Defence Forces, their families and other eligible members.

NOTE 17. CASH FLOW INFORMATION

	2009 \$	2008 \$
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash on hand	495	495
Cash at Bank	20,443	35,871
Deposits at Call	<u>1,362,449</u>	<u>1,315,694</u>
	<u>1,383,388</u>	<u>1,352,060</u>
(b) Reconciliation of net cash provided by operating activities to profit from ordinary activities after income tax:		
Operating surplus / (deficit) from ordinary activities after income tax	-40,116	30,235
Non cash flows in operating profit:		
Net loss on disposal of property, plant and equipment	1,229	-261
Depreciation of non-current assets	108,458	110,830
Changes in assets and liabilities net of effect of disposal of non-current assets:		
Decrease / (Increase) in Pre-payments	-8,428	5,712
(Increase) / Decrease in Interest Receivable	5,151	-4,588
(Increase) / Decrease in Sundry Debtors	29,520	42,908
Increase / (Decrease) in Creditors and Accruals	-1,907	1,882
(Decrease) / Increase in Rentals in Advance	-9,683	-2,759
(Increase) / Decrease in GST Credits Recoverable	1,807	3,056
Net Cash provided by operating activities	<u>86,031</u>	<u>187,015</u>

RAAF CENTRAL WELFARE TRUST FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

Note 18. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The Trust's principal financial instruments comprise receivables, payables, not for trading liabilities, cash and term deposits and managed investments.

The Trust does not have any derivative instruments as at 30 Jun 2009.

(i) Treasury Risk Management

Trustees analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial Risk Exposures and Management

The main risks the Trust is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk.

Interest Rate Risk

The Trust does not have any fixed and floating rate debt.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Fund does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows.

Foreign Currency Risk

The Trust is not exposed to fluctuations in foreign currencies.

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

FINANCIAL ASSETS	Weighted Average Effective Interest Rate		Non Interest Bearing Rate		Fixed Interest Rate		Floating Interest Rate		Total	
	2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Cash on hand and at Bank	0.50	0.80	495	495	-	-	20,443	35,871	20,938	36,366
Deposits at Call	5.49	6.02	-	-	-	-	1,362,449	1,315,694	1,362,449	1,315,694
Receivables	3.0	3.0	30,397	66,875	6,376	7,576	-	-	33,314	74,451
Other Financial Assets - IPAC	-	-	640,694	757,713	-	-	-	-	640,694	757,713
TOTAL			671,586	825,083	6,376	7,576	1,382,892	1,351,565	2,057,395	2,184,224
FINANCIAL LIABILITIES										
Payables	-	-	38,737	50,327	-	-	-	-	38,737	50,327
TOTAL			38,737	50,327	-	-	-	-	38,737	50,327

RAAF CENTRAL WELFARE TRUST FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

Note 18. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Net Fair Values

Financial assets and financial liabilities, both recognised and unrecognised, at balance date, are carried at their fair value. The carrying amounts of the company's financial assets and financial liabilities are the same as their fair value.

(d) Sensitivity Analysis

Interest Rate Risk

The Trust has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2009	2008
	\$	\$
Change in Profit		
- increase interest rate by 1%	13,829	13,516
- decrease interest rate by 1%	-13,829	-13,516
Change in Equity		
- increase interest rate by 1%	13,829	13,516
- decrease interest rate by 1%	-13,829	-13,516

The sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Note 19. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

- not later than 1 year
- later than 1 year but not later than 5 years
- later than 5 years

	2009	2008
	\$	\$
- not later than 1 year	16,597	71,154
- later than 1 year but not later than 5 years	-	-
- later than 5 years	-	-
	16,597	71,154

The commitments stated are in relation to leases held at Ambassador, Surfside and Marrakai. The Surfside leases are a non-cancellable leases with a 1 year term, due to expire 1 July 2009. Marrakai lease is a non-cancellable lease with a 1 year term, due to expire January 2010. The Ambassador lease is an on-going lease.

RAAF CENTRAL WELFARE TRUST FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

Note 20. ACCOUNTING POLICIES

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards/revised standards/interpretations/amending standards were issued prior to the signing of the statement by the chief executive and chief officer, were applicable to the current reporting period and had a financial impact on the entity:

AASB 7	Financial Instruments Disclosures
AASB 101	Presentation of Financial Statements (Dec 2007)
AASB 116	Property, Plant & Equipment
AASB 139	Financial Instruments Recognition and Measurement

Other new standards/revised standards/interpretations/amending standards that changes to segment reporting statement by the chief executive and chief financial officer and are applicable to the current reporting period did not have a financial impact and are not expected to have a future financial impact on the entity.

Future Australian Accounting Standard Requirements

The following new standards/revised standards/interpretations/amending standards were issued by the Australian Accounting Standards Board prior to the signing of the statement by the chief executive and chief financial officer, which are expected to have a financial impact on the entity for future reporting periods:

AASB 101	Presentation of Financial Statements (Sept 2007)
AASB 2009-2	Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments (AASB 4, AASB 7, AASB 1023 & AASB 1038)

Other new standards/revised standards/interpretations/amending standards that were issued prior to the signing of the statement by the chief executive and chief financial officer and are applicable to the future reporting period are not expected to have a future financial impact on the entity.

RAAF CENTRAL WELFARE TRUST FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

Note 21. RAAF CENTRAL WELFARE TRUST FUND DETAILS

The office of the Trust Fund is situated at:

C/- RAAF Welfare Recreational Company
Department of Defence
Campbell Park Offices (CP2-5-137)
CANBERRA ACT 2800



**RAAF WELFARE RECREATIONAL COMPANY
FINANCIAL REPORT 2008-09
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the RAAF Welfare Recreational Company for the year ended 30 June 2009, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Jocelyn Ashford
Executive Director

Delegate of the Auditor-General

Canberra
20 October 2009

RAAF CENTRAL WELFARE TRUST FUND

DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1 to 16 presents fairly the Trust's financial position as at 30 June 2009 and its performance for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the provisions of the Trust Deed dated 11 September 1989.
2. In the directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the RAAF Welfare Recreational Company (the Trustee)

Director



Director



Dated this

20th

day of

October

2009



INDEPENDENT AUDITOR'S REPORT

To the Trustee of RAAF Central Welfare Trust Fund

Scope

I have audited the accompanying financial report of RAAF Central Welfare Trust Fund, which comprises the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Recognised Income and Expenditure and Cash Flow Statement for the year ended on that date, Notes to and forming part of the Financial Statements including a Summary of Significant Accounting Policies, and the Directors' Declaration.

The Trustees' Responsibility for the Financial Report

The Trustee of the RAAF Central Welfare Trust Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

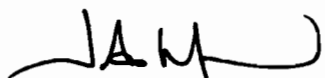
In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In my opinion, the financial report of RAAF Central Welfare Trust Fund is in accordance with the *Corporations Act 2001*:

- (i) giving a true and fair view of RAAF Central Welfare Trust Fund's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Australian National Audit Office



Jocelyn Ashford

Executive Director

Delegate of the Auditor-General

Canberra

20 October 2009

RAAF CENTRAL WELFARE TRUST FUND

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

SUMMARY OF OPERATIONS

PROFIT/(LOSS) FROM:	2009 \$		2008 \$	
HOLIDAY FACILITIES				
Rental Operations - Surfers Paradise	-54,824		-46,953	
Rental Operations - Marrakai	-14,650		-9,548	
Rental Operations - Merimbula	-33,378		-30,534	
Rental Operations - Surfside	-20,824		-30,403	
RWRC Office	<u>-11,288</u>	-134,942	<u>-12,991</u>	-130,430
RAAF CENTRAL WELFARE TRUST FUND OPERATIONS				
INCOME				
Bank Interest	80,034		83,538	
Interest from Loans	138		-900	
Income received - IPAC Portfolio Management	18,056		81,578	
Provision for diminution in value of investment	-		-	
Refundable Imputation Credit	3,458		2,413	
Miscellaneous Income	0		10	
Donations	<u>-</u>		<u>-</u>	
	101,688		166,638	
EXPENSES				
Advertising	-		2,680	
Bank Charges	-		-	
Managed Portfolio Fees	2,083		2,063	
Grants	<u>4,777</u>		<u>1,250</u>	
	6,860	94,826	5,973	160,665
SURPLUS (DEFICIT) FROM OPERATIONS :		<u>-40,116</u>		<u>30,235</u>

RAAF CENTRAL WELFARE TRUST FUND

SURFERS PARADISE RENTAL OPERATIONS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
INCOME		
Rent Received - Holiday Flats	211,930	225,179
Caretakers Fees	6,008	6,006
Blue Phone	390	759
Disposal of Asset	-	-
Miscellaneous Income	500	735
Rental Income -Managers Unit	8,905	8,905
	227,731	241,584
OPERATING EXPENSES		
Cleaning - Wages, Materials & Pest Control	28,643	24,905
Fuel & Power	15,432	13,261
Laundry	1,476	1,354
Minor Equipment	4,477	8,841
Repairs and Maintenance	9,138	25,247
	59,165	73,609
ADMINISTRATIVE EXPENSES		
Depreciation - Building	45,940	45,940
Depreciation - Furn & Fittings (Flats)	16,842	20,449
Depreciation - Furn & Fittings (Office)	72	77
Depreciation - Furn & Fittings (Laundry)	273	273
Depreciation - Outdoor Equipment	-	-
Disposal of Asset	1,229	433
General Expenses	5,857	4,705
Insurance	1,279	1,243
Management Fees	59,784	57,708
Postage and Stationery	666	1,478
Rates and Taxes	29,151	26,774
Telephone	4,138	5,111
Body Corporate Fees	35,516	31,493
Rent - Apartment 8	18,669	15,051
Valuation Fees	-	-
Merchant Credit Card Fees	4,005	4,191
	223,390	214,929
OPERATING SURPLUS (DEFICIT)	-54,824	-46,953

RAAF CENTRAL WELFARE TRUST FUND

MARRAKAI RENTAL OPERATIONS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
INCOME		
Rent Received - Holiday Flats	<u>21,185</u>	<u>23,866</u>
	21,185	23,866
EXPENDITURE		
Cleaning	5,275	4,160
Fuel & Power	3,073	2,628
Minor Equipment	-	-
Repairs and Maintenance	-	-
Rent - Apartments	<u>27,487</u>	<u>26,626</u>
	35,835	33,414
OPERATING SURPLUS (DEFICIT)	<u>-14,650</u>	<u>-9,548</u>

RWRC OFFICE OPERATIONS FOR THE YEAR ENDED 30 JUNE 2009

	2008 \$	2008 \$
INCOME		
Bank Interest	78	184
Miscellaneous Income	<u>25</u>	<u>11</u>
	104	195
EXPENDITURE		
Bank Charges	60	30
Office Expenses	1,922	1,658
Audit, Accounting Fees	5,550	8,400
Legal Fees	450	-
Insurance	3,098	3,098
Depreciation - Furn & Fittings (Office)	37	-
Minor Equipment	<u>253</u>	<u>-</u>
	11,370	13,186
OPERATING SURPLUS (DEFICIT)	<u>-11,266</u>	<u>-12,991</u>

RAAF CENTRAL WELFARE TRUST FUND

10-18 MARINE PARADE MERIMBULA RENTAL OPERATIONS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
INCOME		
Rent Received - Holiday Flats	121,527	111,521
Blue Phone	-	26
Energy Rebates	-	7,590
Disposal of Asset	-	-
	121,527	119,137
OPERATING EXPENSES		
Cleaning - Wages, Materials & Pest Control	12,348	13,243
Fuel and Power	6,275	4,955
Minor Equipment	2,189	321
Pay TV Rental	1,890	1,585
Repairs and Maintenance	386	4,873
	23,087	24,977
ADMINISTRATIVE EXPENSES		
Depreciation - Building	36,514	36,396
Depreciation - Furn & Fittings (Flats)	8,779	7,694
Insurance	107	668
Management Fees	31,042	31,013
Linen Cleaning and Replacements	15,020	8,327
Postage and Stationery	30	350
Rates and Taxes	11,128	11,256
Body Corporate Fees	29,200	28,990
	131,819	124,694
OPERATING SURPLUS (DEFICIT)	-33,378	-30,534

RAAF CENTRAL WELFARE TRUST FUND

SURFSIDE RENTAL OPERATIONS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
INCOME		
Rent Received - Holiday Flats	43,698	85,155
	43,698	85,155
OPERATING EXPENSES		
Cleaning - Wages, Materials & Pest Control	7,382	11,923
Fuel and Power	2,327	3,475
Minor Equipment	61	112
Pay TV Rental	890	1,318
Repairs and Maintenance	1,139	3,273
	11,589	20,101
ADMINISTRATIVE EXPENSES		
General Expenses	1,037	494
Management Fees	11,848	16,398
Telephone	528	1,056
Rent - Apartments	38,428	75,365
Merchant Credit Card Fees	1,093	2,114
	52,934	95,457
OPERATING SURPLUS (DEFICIT)	-20,824	-30,403