



FAIR WORK
COMMISSION

1 August 2014

Mr Terry Noone
Federal Secretary
Musicians' Union of Australia

Sent by email: musiciansua@gmail.com

Dear Mr Noone

**RE: Lodgement of Financial accounts and statements - Musicians' Union of Australia,
Federal Office - for year ending 30 June 2007 (FR2007/248)**

I refer to the financial report of the Musicians' Union of Australia, Federal Office [the reporting unit] for the year ending 30 June 2007 and to correspondence in relation to the matter of the qualifications contained in the auditor's report.

The financial report has now been filed. The report substantially complies with the requirements of Schedule 1 of the *Workplace Relations Act 1996* (the RAO Schedule) and in circumstances where whether or not further assessment of the qualifications contained in the auditor's report may be appropriate will depend on examination of the subsequent financial reports for the years ended 30 June 2008-2013, you are not required to take any further action in respect of the report lodged at this stage.

If you have any queries regarding this letter, please contact me via email at stephen.kellett@fwc.gov.au.

Yours sincerely,

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

Mr. Stephen Kellett
Regulatory Compliance Branch
Fair Work Commission
80 William Street
East Sydney NSW 2011
stephen.kellett@fwc.gov.au



THE MUSICIANS' UNION
OF AUSTRALIA
FEDERAL OFFICE

24/3/13

Musicians' Union of Australia Financial Reports update

Dear Mr. Kellett,

The documentation for the reports of the Melbourne Branch and the Federal Office for the years ended 30 June 2008 to 30 June 2013 was submitted to our accountants today for the preparation of the final reports and their subsequent audit.

I now reply to a number of questions which you submitted to me on 18 February 2014 in two emails:

QUALIFICATIONS

(1) whether the reporting unit is in a position to provide the auditor with the statements referred to in the letter of 7 June 2010 or with any other information the auditor would require that would remove the uncertainty that leads to the qualification, for the years 2008 onwards; and if so, whether the reporting unit will do so;

We now have the required documentation and will provide it to the auditor. My understanding is that this documentation will enable the auditor to remove this qualification in subsequent audits.

(2) whether the reporting unit considers, in the light of the auditor's qualification about the uncertainty of the Federal Office's ability to pay its debts due to their being no guarantee of the financial support, that its use of the going concern basis is appropriate and should be continued to be used for future reports;

I have discussed this matter with our auditor, Mr. David Eddy of Eddy Partners and he is firmly of the opinion that auditing standards require him to make the qualification in subsequent audits due to the fact that at the end of each year the Federal Office relied on continued subsidies from the Melbourne and /or other Branches. He informed me that this

would be the case even if a formal motion was in place to guarantee those subsidies and invites you to contact him if you have any further questions.

Certainly the subsidies were provided in all years to the present, and continue to be provided. Based on this I believe that the “going concern” is appropriate but stress that this opinion is made without my possessing any accounting or auditing qualifications. I defer to the opinion of our auditor.

(3) *any additional comments the reporting unit considers appropriate to make in respect of all the qualifications that would support a characterisation of the qualifications as either ‘trivial’ (i.e. not materially significant) or remediable in the 2008 report and subsequent reports, including any advice or clarification you receive from the auditor in relation to the matter.*

It seems to me that the qualification regarding continued subsidy is certainly not “materially significant” for the 2007 report since the subsidy actually continued in subsequent years. The same can be said of the 2008-2013 reports currently being prepared.

OTHER MATTERS

(1) *Although section 268 does not make it explicit, the certificate by Designated Officer accompanying the financial report should indicate the date on which the report was provided to members, and also the date of presentation to the second meeting under s266. This is necessary so that FWC can assess whether the time frames prescribed by sections 265(5) and 266 have been complied with, without having to inquire separately.*

I have prepared an amended certificate and this is attached.

(2) *The paragraph “Principal Activities” in the Operating Report should include at least a brief statement related to the results of the principal activity or activities. In order to indicate that a review of results has been made, in accordance with section 254(2)(a).*

I have prepared an amended Operating Report and this was passed by a motion of the Federal Executive on 26 February 2014. The amended Operating Report is attached.

(3) *Both Employment benefits expenses and employment benefits liabilities must be disclosed by Officer and Employee categories. I note that in the 2007 report, this was done for Salaries/Allowances and Superannuation expenses and for Annual leave and Long Service Leave provisions (liabilities), but not for Annual leave and Long service leave expenses (on the Income Statement). For the 2013 report the reporting Guidelines require that balances for each of several prescribed employment benefit categories must be disclosed by Officer and Employee. (For the reports to 2012 the reporting Guidelines require at a minimum a total Employment benefits balance for each of Officer and employee categories).*

From the Current Liabilities in the 2007 report as submitted I provide the breakdown of the Annual leave and Long service leave expenses in the Income Statement:

Annual leave Officials	\$1,724.00
Long service leave Officials	\$281.00
Annual leave Employees	-\$2,400.00
Long service leave Employees	\$24.00

I have discussed this matter with the auditor and he has agreed to include this breakdown in subsequent audits.

(4) *The name of each Branch to which cash flows are directed or from which cash flows are received must be disclosed, either in the respective entry in the Cash Flow statement or the notes to the financial statements.*

The following amounts were received as sustentation by the Federal Office during the 2007 year:

Brisbane Branch: \$270.00
Launceston Branch: \$211.30
Melbourne Branch: \$3,133.61

I have discussed this matter with the auditor and he has agreed to include this breakdown in subsequent audits.

(5) *Key management compensation, that is, benefits paid to officeholders of the Federal Office (i.e. from Federal Office funds) should be separately disclosed under Related Party Disclosures in accordance with AASB 124.*

This was dealt with in Note 10 of the report with the exception of leave provisions as addressed in (3) above.

I have discussed this matter with the auditor and he has agreed to include this breakdown in subsequent audits.

(6) *The reference to membership subscriptions revenue in the Notes to the Financial Statements would appear not applicable to the Federal Office reports and this should be omitted to avoid confusion to the reader.*

I have discussed this matter with the auditor and he has agreed to remove this term in subsequent audits.

(7) *For the 2008 report, references should, wherever appropriate, be to "the RAO Schedule" or its formal name "Schedule 1 of the Workplace Relations Act 1996". For the 2009 reports onwards, legislative references should be to "the RO Act" or its formal name "Fair Work (Registered Organisations) Act 2009".*

I have discussed this matter with the auditor and he has agreed to use the appropriate references in subsequent audits.

Please contact me if you have any questions.

Yours sincerely,



Terry Noone
Federal Secretary
Musicians' Union of Australia

t: (03) [REDACTED]

f: (03) 9008 7823

VIC [REDACTED]

e: musiciansua@gmail.com

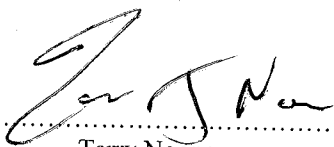
MUSICIANS UNION OF AUSTRALIA FEDERAL OFFICE
Secretary's Certificate
For the year ended 30 June 2007

Secretary's Certificate
S268 of Schedule 1B Workplace Relations Act 1996

As Federal Secretary of the Musician's Union of Australia, under S268 of Schedule 1B Workplace Relations Act 1996 I certify that:

- (i) The documents attached are copies of the full report referred to in S268 of the RAO Schedule, and
- (ii) The full report was provided to the members of the Musician's Union of Australia by a series of mailouts and emails over a period starting on 4 February 2013 and ending on 31 January 2014, and
- (iii) The full report was presented to a "second meeting" of the Federal Executive in accordance with section 266 of the RAO Schedule and the rules of the Musicians' Union of Australia on 3 February 2014.

Signed


Terry Noone
Federal Secretary
Musicians' Union of Australia

Date:

26/2/14

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**OPERATING REPORT
FOR THE YEAR ENDED 30TH JUNE 2007**

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 and in relation to the GPFR of the Federal Office of the Musicians' Union of Australia, the Federal Executive of the Musicians' Union of Australia report as follows:

Principal Activities

The principal activities of the organisation during the year was to provide industrial, professional and managerial services to members consistent with the objects of the Union and particularly the object of protecting and improving the interests of the members. A review of these activities indicated that they were largely successful and produced the operating result indicated below. No significant change occurred in the nature of those activities during the year.

Operating Result

The operating result of the organisation for the year ended 30 June 2007 was a surplus of \$14,079. No provision for tax was necessary as the Organisation is considered exempt.

Significant Changes

There was no significant change in the financial affairs of the organisation during the year.

Rights of Members

All members have the right to resign from the Union in accordance with the Rules of the Union (and Section 174 of the Fair Work (Registered Organisations) Act 2009); namely, by providing written notice addressed and delivered to the Secretary of the Branch including via email.

Superannuation Office-holders

No officers and/or members of the organisation are directors of companies that are the trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation.

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations Act (Registration and Accountability of Organisations) Regulations-

- (a) the number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the registered organisation under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 1,409;
- (b) the number of persons who were at the end of the financial year employees of the organisation including both part and full time employees measured on a full-time equivalent basis was 2;

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**OPERATING REPORT
FOR THE YEAR ENDED 30TH JUNE 2007 (CONTINUED)**

Other Prescribed Information(continued)

- (c) the names of those who have been members of the Committee of Management of the organisation at any time during the financial year and the periods for which he or she held office were-

Name:	Period:	Position Held:
Reg Walsh	1/7/06-30/6/07	Federal President/Federal Trustee
Gavan Anderson	1/7/06-30/6/07	Federal Vice-President
Michael Fortescue	1/7/06-30/6/07	Federal Vice-President
Denis Shelverton	1/7/06-30/6/07	Federal Treasurer
Terry Noone	1/7/06-30/6/07	Federal Secretary
Don Cushion	1/7/06-30/6/07	Federal Trustee
Bernice Claire Clark	1/7/06-30/6/07	Federal Executive Member
Glenn Price	1/7/06-30/6/07	Federal Executive Member
Sam Moody	1/7/06-30/6/07	Federal Executive Member
Maurice Ledwith	1/7/06-30/6/07	Federal Executive Member

Other Relevant Information

Nil"

Signed for and on behalf of the Members of the Committee, by the Federal Executive of 2014 on:

Date: 26/2/14

Signature: 

Terry Noone

Title: Federal Secretary
Musicians' Union of Australia

From: [KELLETT, Stephen](#)
To: Musiciansua@aol.com; [Musicians" Union of Aust.](#)
Subject: Audit qualification - Federal Office - financial report y/e 30 June 2007
Date: Tuesday, 18 February 2014 1:29:00 PM
Attachments: [letter re qualification 07062010.pdf](#)

Dear Mr Noone,

I refer to our discussion this morning in relation to the qualifications included in the Auditor's report for the Federal Office for the year ended 30 June 2007.

A qualification to an audit report may constitute a defect or deficiency, failing or shortcoming for the purposes of section 257(7) of the *Fair Work (Registered Organisations) Act 2009*, that can require investigation under s332(1)(a). However that section provides that General Manager is not required to investigate matters raised in an auditor's report if, amongst other things, *"after consultation with the reporting unit and the auditor, the General Manager is satisfied that the matters are trivial or will be remedied in the following financial year."*

I note that the qualifications are similar to those included in previous reports. I recall that the subject of the qualifications was raised with you in 2010 in the context of the financial report for the year ended 30 June 2006. In a letter dated 7 June 2010, you provided advice in relation to the qualifications in respect of the Fixed Assets and Leave provisions records, in which you indicated that these qualifications might be removed if various statements were provided to the auditors, and that it was your intention to provide them. I attach a copy of that letter for your reference.

The qualification in respect of the going concern basis used in the preparation of the report was not addressed in that letter.

To assist the General Manager to be satisfied in accordance with section 332(2), I would ask that you provide me with your advice in respect of the following:

- (1) whether the reporting unit is in a position to provide the auditor with the statements referred to in the letter of 7 June 2010 or with any other information the auditor would require that would remove the uncertainty that leads to the qualification, for the years 2008 onwards; and if so, whether the reporting unit will do so;
- (2) whether the reporting unit considers, in the light of the auditor's qualification about the uncertainty of the Federal Office's ability to pay its debts due to their being no guarantee of the financial support, that its use of the going concern basis is appropriate and should be continued to be used for future reports;
- (3) any additional comments the reporting unit considers appropriate to make in respect of all the qualifications that would support a characterisation of the qualifications as either 'trivial' (i.e. not materially significant) or remediable in the 2008 report and subsequent reports, including any advice or clarification you receive from the auditor in relation to the matter.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(email) stephen.kellett@fwc.gov.au

MUSICIANS UNION OF AUSTRALIA FEDERAL OFFICE
Secretary's Certificate
For the year ended 30 June 2007

Secretary's Certificate
S268 of Schedule 1B Workplace Relations Act 1996

As Federal Secretary of the Musician's Union of Australia, under S268 of Schedule 1B Workplace Relations Act 1996 I certify that:

- (i) The documents attached are copies of the full report referred to in S268 of the RAO Schedule, and
- (ii) The full report was provided to the members of the Musician's Union of Australia
- (iii) The full report was presented to a "second meeting" of the Federal Executive in accordance with section 266 of the RAO Schedule and the rules of the Musicians' Union of Australia.

Signed
Terry Noone
Federal Secretary
Musicians' Union of Australia

Date: 3 / 2 / 14

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2007**

Registered Address:

10 Black Street
MONT ALBERT, VICTORIA, 3127

Tel: (03) 9899 8915

Fax: (03) 9008 7823

Secretary:

Terry Noone

Contents:

Income Statement
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Notes to the Financial Statements
Operating Report
Committee of Management Statement
Independent Auditor's Report

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2007**

	2007	2006
	\$	\$
<u>INCOME</u>		
Overseas Artists	52,323	47,078
Sustentation Fees - Branches	3,615	5,247
PPCA Grant Income	-	3,088
Interest Received	42	99
Donation Received	100	-
<i>Total Income</i>	56,080	55,512
<u>LESS EXPENDITURE</u>		
Accountancy & Audit	3,000	28,100
Bank Charges	470	469
Computer Expense	41	547
Consultancy Fees	620	1,260
Depreciation	412	615
General Expenses	126	2,269
Interest & Penalties – ATO	584	2,210
Legal Costs	1,818	1,318
Loss on Disposal of Office Furniture & Equipment	-	911
Postage, Printing & Stationery	770	1,093
Provision for Annual Leave	(676)	10,113
Provision for Long Service Leave	306	1,477
Reference Materials & Subscriptions	300	575
Repairs & Maintenance	135	-
Salaries & Allowances – Officials	12,372	12,140
Salaries & Allowances – Employees	24,974	28,758
Storage Fees	2,149	2,147
Superannuation Contributions - Officials	1,059	1,267
Superannuation Contributions - Employees	2,460	2,409
Telephone	1,889	1,609
Travelling Expenses	2,882	2,362
Workcover	637	253
<i>Total Expenditure</i>	56,328	101,902
SURPLUS/(DEFICIT) FOR YEAR BEFORE EXTRAORDINARY ITEMS	(248)	(46,390)

The accompanying notes form part of these financial statements.

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2007**

	2007	2006
	\$	\$
ADD: Extraordinary Items		
Melbourne Branch Subsidy – Current Year	<u>14,327</u>	<u>15,564</u>
SURPLUS/(DEFICIT) FOR YEAR	14,079	(30,826)
Accumulated Losses – Beginning of Year	(43,960)	(13,134)
<u>ACCUMULATED</u>	<u> </u>	<u> </u>
<u>FUNDS/(DEFICIENCY) AS AT</u>		
<u>30TH JUNE 2007</u>	<u>(29,881)</u>	<u>(43,960)</u>

The accompanying notes form part of these financial statements.

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2007**

	Note	2007 \$	2006 \$
<u>MEMBERS' FUNDS</u>			
Accumulated Deficiency in Funds		29,881	43,960
Represented by:			
<u>CURRENT ASSETS</u>			
Cash on Hand		-	10
Cash at Bank – Cheque Account		10,850	2,176
<i>Total Current Assets</i>		<u>10,850</u>	<u>2,186</u>
<u>NON-CURRENT ASSETS</u>			
Furniture & Equipment – at Cost		33,163	33,163
Less: Accumulated Depreciation		32,162	31,750
<i>Total Non-Current Assets</i>	6	<u>1,001</u>	<u>1,413</u>
TOTAL ASSETS		<u>11,851</u>	<u>3,599</u>
<u>CURRENT LIABILITIES</u>			
Sundry Creditors & Accruals	4	13,000	18,456
Provision for Annual Leave - Officials		6,917	5,193
Provision for Annual Leave - Employees		13,909	16,309
Provision for Long Service Leave - Officials		1,896	1,615
Provision for Long Service Leave - Employees		6,010	5,986
<i>Total Current Liabilities</i>		<u>41,732</u>	<u>47,559</u>
TOTAL LIABILITIES		<u>41,732</u>	<u>47,559</u>
<u>EXCESS OF LIABILITIES OVER ASSETS</u>			
		<u>29,881</u>	<u>43,960</u>

The accompanying notes form part of these financial statements.

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2007**

	Retained Profits \$	Total \$
Balance at 1 July 2005	(13,134)	(13,134)
Surplus/(Deficit) for year	(30,826)	(30,826)
	<hr/>	<hr/>
Balance at 30 June 2006	(43,960)	(43,960)
	<hr/>	<hr/>
Balance at 1 July 2006	(43,960)	(43,960)
Surplus/(Deficit) for year	14,079	14,079
	<hr/>	<hr/>
Balance at 30 June 2007	(29,881)	(29,881)
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2007**

	NOTE	2007 \$	2006 \$
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES			
Receipts:			
Overseas Artists		52,323	47,078
Sustentation Fees - Branches		3,615	5,247
Interest Received		42	99
Donation Received		100	-
Melbourne Branch Subsidies		14,327	16,818
		<u>70,407</u>	<u>69,242</u>
Payments:			
Salaries, Agency & Consultants		(36,292)	(40,240)
Superannuation		(4,005)	(3,190)
Other Payments		(21,446)	(36,229)
		<u></u>	<u></u>
Net Cash Provided By/(Used In) Operating Activities	3	<u>8,664</u>	<u>(10,417)</u>
CASH INFLOW/(OUTFLOW) FROM NON-OPERATING ACTIVITIES			
Payments:			
Purchase of Furniture & Equipment		-	-
Loans to Branches		-	-
		<u></u>	<u></u>
Net Cash Provided By/(Used In) Non-Operating Activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) In Cash Held		<u>8,664</u>	<u>(10,417)</u>
Add: Cash Held 1 st July 2006		2,186	12,603
CASH HELD 30TH JUNE 2007		<u>10,850</u>	<u>2,186</u>
REPRESENTED BY:			
Cash on Hand		-	10
Cash at Bank – Cheque Account		10,850	2,176
		<u>10,850</u>	<u>2,186</u>

The accompanying notes form part of these financial statements.

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007**

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including the disclosure requirements of the Fair Work (Registered Organisations) Act 2009.

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

(a) Basis of Accounting

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where otherwise stated, current valuations of fixed assets.

With the exception of membership contributions, all income and expenditure of the Union has been brought to account on an accruals basis of accounting so as to match income for the period with the expenditure incurred in earning that income.

Membership subscriptions are brought to account on the cash basis of accounting as and when received as permitted by Section 252(4) of the Fair Work (Registered Organisations) Act 2009.

(b) Provisions for Accrued Annual Leave and Long Service Leave

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

(c) Income Tax

No provision has been made in the financial report for income tax on the basis that the Union is exempt under Section 50-15 of the Income Tax Assessment Act 1997.

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007 (CONT'D)**

(d) Fixed Assets

Fixed assets are stated in the financial report at historical cost less, where applicable, any accumulated depreciation.

The carrying amount of all non-current assets is reviewed to ensure that the amount at which each asset is recorded does not exceed its recoverable amount. Fixed assets are depreciated on a diminishing value basis over the period of their estimated effective lives.

(e) Cash

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

(f) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with changes in presentation in the current year.

(g) Melbourne Branch Subsidies

Discretionary advances from the Melbourne Branch of the Union have been brought to account as income of the Union on the basis that they have been fully expended in meeting Federal Office expenditure and are not capable of being refunded except out of future income of the Union which at balance date was not considered certain.

2. FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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, which reads –

- (1) A member of a reporting unit, or the General Manager of FWA, 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).

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007 (CONT'D)**

**3. RECONCILIATION OF CASH INFLOW/(OUTFLOW) FROM OPERATING
ACTIVITIES WITH OPERATING SURPLUS FOR THE YEAR**

	2007	2006
	\$	\$
Operating Surplus/(Deficit) for Year	14,079	(30,826)
ADD: Back Non Cash Flow Items:		
Depreciation	412	615
Accrued Annual Leave & Long Service Leave	(371)	11,590
Loss on Disposal of Assets	-	911
Change in Assets and Liabilities		
(Increase)/Decrease in Prepayments	-	171
(Increase)/Decrease in Loan – Newcastle Branch	-	1,254
Increase/(Decrease) in Sundry Creditors & Accruals	(5,456)	8,956
Increase/(Decrease) in Funds Held in Trust	-	(3,088)
Net Cash Provided By/(Used In) Operating Activities	<u>8,664</u>	<u>(10,417)</u>

4. SUNDRY CREDITORS & ACCRUALS

	2007	2006
	\$	\$
Audit/Accountancy	6,985	8,485
Australian Taxation Office (New)	5,813	9,833
Telephone	-	173
Superannuation	-	486
Other	202	(521)
	<u>13,000</u>	<u>18,456</u>

The list of Sundry Creditors as shown above has been prepared on the basis that no amount is owed by the Federal Office to the Branches for expenses that have been incurred by the Branches on behalf of the Federal Office.

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007 (CONT'D)**

5. MELBOURNE BRANCH SUBSIDIES

	2007 \$	2006 \$
Balance Brought Forward	131,335	115,771
Add: Current Year Advances	<u>27,424</u>	<u>16,947</u>
	158,759	132,718
Less: Advances Refunded	<u>13,097</u>	<u>1,383</u>
Balance Carried Forward	<u>145,662</u>	<u>131,335</u>
 Interest on Advances B/Fwd	 23,596	 16,864
Add: Current Year Interest	<u>7,750</u>	<u>6,732</u>
Interest on Advance C/Fwd	<u>31,346</u>	<u>23,596</u>

Melbourne Branch subsidies (and interest payable thereon) have not been brought to account as a liability of the Union on the basis that they have been fully expended on meeting Federal Office expenditure and are not capable of being refunded except out of future income of the Union which at balance date was not considered certain and in this regard are considered contingent liabilities only.

6. FURNITURE & EQUIPMENT

	WDV 2007 \$	WDV 2006 \$
Furniture & Fittings	130	162
Cupboards	14	18
Filing Cabinet	18	23
Filing Cabinet	8	10
Cupboard	10	12
Bookshelves	17	21
Filing Cabinet	5	6
Office Equipment	40	54
Computer	322	536
Shelving	142	178
Fax Machine	<u>295</u>	<u>393</u>
	<u>1,001</u>	<u>1,413</u>

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007 (CONT'D)**

7. CONTINGENT LIABILITIES

The members of the Executive Committee are unaware of any contingent liability, the effect of which may be material in relation to the financial report other than amounts which may be owing to the Melbourne and other branches as referred to in Note 5.

8. EVENTS SUBSEQUENT TO BALANCE DATE

No event has arisen subsequent to balance date, the effect of which may be material in relation to the financial report.

9. GOING CONCERN

Notwithstanding the deficiency in net assets, the financial report has been prepared on the basis of the Union as a going concern on the basis that Federal Office receives continued financial support from its members, its constituent branches, and both secured and unsecured creditors.

10. RELATED PARTY DISCLOSURES

- (i) The following persons have held office in the Union during the year ended 30th June 2007:

Name:	Period:	Position Held:
Reg Walsh	1/7/06-30/6/07	Federal President/ Federal Trustee
Gavan Anderson	1/7/06-30/6/07	Federal Vice-President
Michael Fortescue	1/7/06-30/6/07	Federal Vice-President
Denis Shelverton	1/7/06-30/6/07	Federal Treasurer
Terry Noone	1/7/06-30/6/07	Federal Secretary/ Federal Trustee
Don Cushion	1/7/06-30/6/07	Federal Trustee
Bernice Claire Clark	1/7/06-30/6/07	Federal Executive Member
Glenn Price	1/7/06-30/6/07	Federal Executive Member
Sam Moody	1/7/06-30/6/07	Federal Executive Member
Maurice Ledwith	1/7/06-30/6/07	Federal Executive Member

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007 (CONT'D)**

10. RELATED PARTY DISCLOSURES (Continued)

- (ii) The aggregate amount of remuneration paid to elected persons during the financial year is disclosed in the Income Statement under Salaries & Allowances – Officials.

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected persons is disclosed in the Income Statement under Superannuation Contributions – Officials.

- (iii) There were no other transactions between the officers of the Union and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**OPERATING REPORT
FOR THE YEAR ENDED 30TH JUNE 2007**

In accordance with sec. 254 of the Fair Work (Registered Organisations) Act 2009, your Committee of Management report as follows:

Principal Activities

The principal activities of the organisation during the year was to provide industrial, professional and managerial services to members consistent with the objects of the Union and particularly the object of protecting and improving the interests of the members. No significant change occurred in the nature of those activities during the year.

Operating Result

The operating result of the organisation for the year ended 30th June 2007 was a surplus of \$14,079. No provision for tax was necessary as the organisation is considered exempt.

Significant Changes

There was no significant change in the financial affairs of the organisation during the year.

Rights of Members

All members have the right to resign from the Union in accordance with the Rules of the Union (and Section 174 of the Fair Work (Registered Organisations) Act 2009); namely, by providing written notice addressed and delivered to the Secretary of the Branch including via email.

Superannuation Office-holders

No officers and/or members of the organisation are directors of companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation.

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 –

- (a) the number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the registered organisation under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 1,409;
- (b) the number of persons who were at the end of the financial year employees of the organisation including both full-time and part-time employees measured on a full-time equivalent basis was 2;

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

**OPERATING REPORT
FOR THE YEAR ENDED 30TH JUNE 2007 (CONTINUED)**

Other Prescribed Information (continued)

- (c) the names of those who have been members of the Committee of Management of the organisation at any time during the financial year and the periods for which he or she held office were -

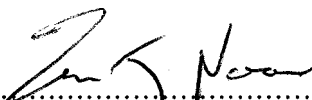
Name:	Period:	Position Held:
Reg Walsh	1/7/06-30/6/07	Federal President/ Federal Trustee
Gavan Anderson	1/7/06-30/6/07	Federal Vice-President
Michael Fortescue	1/7/06-30/6/07	Federal Vice-President
Denis Shelverton	1/7/06-30/6/07	Federal Treasurer
Terry Noone	1/7/06-30/6/07	Federal Secretary/ Federal Trustee
Don Cushion	1/7/06-30/6/07	Federal Trustee
Bernice Claire Clark	1/7/06-30/6/07	Federal Executive Member
Glenn Price	1/7/06-30/6/07	Federal Executive Member
Sam Moody	1/7/06-30/6/07	Federal Executive Member
Maurice Ledwith	1/7/06-30/6/07	Federal Executive Member

Other Relevant Information

Nil

Signed for and on behalf of the Committee of Management -

Date: 14/2/13

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Federal Secretary

**MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

COMMITTEE OF MANAGEMENT STATEMENT

On 11 February 2013 the Committee of Management of the Federal Office of Musicians' Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2007:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia (FWA);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or the general manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or general manager of FWA; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) in relation to recovery of wages activity:
 - (i) there has been no such activity undertaken by the reporting unit.

For Committee of Management: Terry Noone

Title of Office Held: Federal Secretary

Signature:



Date:

14/2/13

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

We have audited the accompanying general purpose financial report of the Musicians' Union of Australia – Federal Office for the year ended 30th June 2007 comprising Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements and Committee of Management Statement.

Committee of Management's Responsibility for the Financial Report

The Union's 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 the Committee determine is necessary to enable the preparation 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 the Committee, 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 the Australian professional accounting bodies.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUSICIANS' UNION OF AUSTRALIA
FEDERAL OFFICE**

Qualifications

1. The report has been prepared on an accruals basis except where otherwise noted, but due to instances of incomplete records, we have not been able to fully satisfy ourselves as to the amounts brought to account for Fixed Assets and Leave provisions and associated expenditure, and have accepted as correct the amounts shown in Federal Office's accounting records.
2. As stated in Note 9, and notwithstanding the deficiency in net assets, the financial report has been prepared on the basis of the Union as a going concern on the basis that the Union receives continued financial support from its members, Constituent Branches, and both secured and unsecured creditors. Although no indication has been given that such financial support will be withheld, no guarantee has been given and, accordingly, the ability of the Union to pay its debts as and when required is not certain. In this regard, there is a risk that the going concern basis may be invalid in which case a provision would be required for any loss on realisation of the assets of the Union.

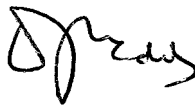
Qualified Audit Opinion

Except for, and subject to, the matters referred to in the qualification section, in our opinion the financial report presents fairly, in all material respects, the financial position as at 30 June 2007 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

Signed at Melbourne, this 18th day of February 2013.

Eddy Partners
8th Floor,
501 Latrobe Street
MELBOURNE, VIC., 3000
Tel: (03) 9602 5177
Fax: (03) 9602 5766

EDDY PARTNERS,
Certified Practising Accountants.



David James Eddy, CPA
Registered Company Auditor.
Holder of a Current Public Practice Certificate