



23 February 2016

Mr Peter Davidson  
Federal Secretary  
Musicians' Union of Australia  
U4, 23A King William Road  
Unley SA 5061

By e-mail: [federal.secretary@musicians.asn.au](mailto:federal.secretary@musicians.asn.au)

Dear Mr Davidson

**Musicians' Union of Australia  
Financial Report for the year ended 30 June 2015 - FR2015/212**

I acknowledge receipt of the amended financial report for the year ended 30 June 2015 for the Musicians' Union of Australia (MUA). The financial report was lodged with the Fair Work Commission (FWC) on 17 February 2016.

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

Whilst the 2015 report has been filed the following should be addressed in the preparation of the next financial report.

**1. General Purpose Financial Report**

Comparative financial information

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 38 states:

“Except when Australian Accounting Standards permit or require otherwise, an entity shall present comparative information in respect of the preceding period for all amounts reported in the current period’s financial statements. ...”

This information was not provided for Note 8 Employee Benefits and Cash flows with Reporting Units.

Key management personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits

- Termination benefits
- Any share based payments.

The definitions for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

The Key Management Personnel information is also to include comparative disclosures in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 38.

Certificate issued under s.245 of the Fair Work (Registered Organisations) Act 2009

On 29 June 2015 the General Manager, Fair Work Commission issued a s.245 Certificate to give effect to the establishment of the Musician's Union of Australia (MUA) into a single reporting unit consisting of the whole of the organisation. In accordance with s.248 the s.245 Certificate has effect in relation to the first financial year after the certificate is issued. In this instance, the financial year ending 30 June 2016.

The transition of the MUA into a single reporting unit will require the transfer and reporting of balances from the various branches to be carefully managed. In this regard the MUA is strongly encouraged to liaise closely with the FWC to ensure that the financial report for the year ended 30 June 2016 addresses required reporting disclosures.

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

Yours sincerely



Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch



Musicians' Union of Australia  
Federal Office

U4 23A King William Rd  
Unley SA 5061

ph: 08 8272 5013

email:

[federal.secretary@musicians.asn.au](mailto:federal.secretary@musicians.asn.au)

16 February 2016

**Certificate of Secretary**

S268 of Schedule 1B *Workplace Relations Act 1996*

I, Peter Davidson, being the Federal Secretary of the Musicians' Union of Australia certify:

- that the documents lodged herewith are copies of the amended full report for the Musicians' Union of Australia - Federal Office for the period ended 30th June 2015, referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was made available to the members of the reporting unit by the Union's website from the 15<sup>th</sup> of February 2016; and
- that the full report was presented and accepted via electronic vote by the Federal Executive on the 16th of January 2016. I acknowledge that members were not supplied with the full report within the timeframe required by s.266 of the Fair Work (Registered Organisations) Act 2009.

Kind regards

Peter Davidson  
Federal Secretary  
Musicians' Union of Australia

**MUSICIAN'S UNION OF AUSTRALIA**

**FEDERAL OFFICE**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015**

## MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE

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**OPERATING REPORT – Federal Office**  
*for the period ended 30 June 2015*

The committee presents its report on the reporting unit for the financial year ended June 2015.

**Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

The principal activities of the Federal Office during the financial year were to provide industrial, professional and managerial services to members consistent with the objects of the Federal Office and particularly the object of protecting and improving the interests of the members. A review of the results of these activities indicated that they were largely successful and that the activities continue to serve the Union's purpose. No significant change in the nature of these activities occurred during the year.

**Significant changes in financial affairs**

There were no significant changes to the finances of the Federal Office of the Musicians' Union. Changes were made to the Union Rules in order to apply for a certificate for an alternative reporting division allowing the presentation of a consolidated report of the Federal Office and all Branches of the Union. The application for a certificate, under sub section 245 (1) of the *RO Act*, was granted by the General Manager of Fair Work Australia and will take effect from the 2015/16 financial year.

**Right of members to resign**

In accordance with subsection 254(2)(c), 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 Union.

**Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

No officers and/or members of the organisation are trustees of a superannuation entity or exempt public sector superannuation scheme or directors of companies that are trustees of superannuation funds entities or exempt public superannuation schemes which require one or more of their trustees or directors to be an officer or a member of a registered organisation.

**Number of members**

The number of persons that were at the end of the financial year recorded in the register of members of the Musician's Union of Australia was 706 and the number of persons taken to be members of the reporting unit (the Federal Office) was 0


**Number of employees**

The number of persons who were at the end of the financial year employees of the Musicians' Union of Australia was 2 and including both full-time and part-time employees measured on a full-time equivalent basis was 0.5 in total.

**Names of Committee of Management members and period positions held during the financial year**

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:

<b>NAME</b>	<b>PERIOD</b>
Terry Noone	01/07/2014 - 30/06/2015
Glenn Price	01/07/2014 - 30/06/2015
Peter Davidson	01/07/2014 - 30/06/2015
Sam Moody	01/07/2014 - 30/06/2015
Bernice Claire Clark	01/07/2014 - 30/06/2015
Ken Laing	01/07/2014 - 04/03/2015* (resigned due to ill health)

Signature of designated officer:  .....

Name and title of designated officer: PETER DAVIDSON - FEDERAL SECRETARY

Dated: 14/12/15 .....

**Musicians' Union of Australia – Federal Office**  
**COMMITTEE OF MANAGEMENT STATEMENT**  
*for the period ended June 2015*



On the 14/12/2015 the Committee of Management of the Musicians' Union of Australia - Federal Office passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended June 2015:

The Committee of Management of the Musicians' Union of Australia, declares 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;
- (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; and
- (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 including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature:

A handwritten signature in black ink, appearing to read "Peter Davidson", written over a horizontal line.

Peter Davidson  
Federal Secretary

Dated: 14/12/15



## MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>INCOME</b>			
Branch Sustentation:			
Adelaide Branch		502	582
Brisbane Branch		103	209
Melbourne Branch		954	1,424
Sydney Branch		26	35
Levies		-	-
Grants and/or Donations		-	-
Membership Contributions		-	-
Overseas Artists		51,366	30,533
Sundry Income		-	4,832
<b>TOTAL INCOME</b>		<b>52,952</b>	<b>37,615</b>
<b>EXPENDITURE</b>			
Affiliation fees		-	-
Advertising & Promotion		-	9,790
Bank charges		576	660
Capitation fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Conference & meeting expenses		-	-
Depreciation		482	599
Fees/allowances – meeting and conferences		-	-
General office expenses		-	-
Grants or donations		-	-
Holiday Pay (provisions)		1,816	2,342
Long Service Leave (provisions)		545	546
Penalties – via RO Act or RO Regulations		-	-
Professional services	4	2,000	2,000
Research		-	-
Salaries & Allowances - Employees		9,964	10,315
Salaries & Allowances - Officials		11,810	12,040
Superannuation - Employees		1,198	996
Superannuation - Officials		1,286	910
Storage & Removal		3,000	-
Sundry Expenses		22	-
Telephone		-	5
<b>TOTAL EXPENDITURE</b>		<b>32,699</b>	<b>40,204</b>
<b>NET SURPLUS/ (DEFICIT) FOR THE YEAR</b>		<b>20,253</b>	<b>(2,590)</b>
Profit (Loss) from Extraordinary Activities		(5,090)	(11,904)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>15,163</b>	<b>(14,494)</b>
Opening Accumulated Surplus		(19,822)	(5,328)
Net surplus (deficit) attributable to the Branch		15,163	(14,494)
<b>CLOSING RETAINED PROFITS</b>		<b>(4,658)</b>	<b>(19,822)</b>

The above statement should be read in conjunction with the notes

## MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
CBA Cheque Account		21,284	1,003
Receivables	5	<u>27,560</u>	<u>27,534</u>
<b>Total Current Assets</b>		<u>48,843</u>	<u>28,536</u>
<b>Non-Current Assets</b>			
Furniture & Fittings	6(a)	33,163	33,163
Less: Accumulated Depreciation		(33,163)	(33,163)
Plant & Equipment	6(b)	2,414	2,414
Less: Accumulated Depreciation		<u>(965)</u>	<u>(483)</u>
<b>Total Non-Current Assets</b>		<u>1,449</u>	<u>1,932</u>
<b>TOTAL ASSETS</b>		<u><b>50,293</b></u>	<u><b>30,468</b></u>
<b>TOTAL LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	<u>17,671</u>	<u>17,715</u>
<b>Total Current Liabilities</b>		<u>17,671</u>	<u>17,715</u>
<b>Provisions</b>			
Provision for Annual Leave – Employees		4,538	3,804
Provision for Annual Leave – Officials		8,275	7,194
Provision for Long Service Leave – Employees		1,258	989
Provision for Long Service Leave – Officials		4,111	3,834
Provision for Audit Fees		<u>16,000</u>	<u>14,000</u>
<b>Total Provisions</b>		<u>34,182</u>	<u>29,821</u>
<b>TOTAL LIABILITIES</b>		<u><b>54,951</b></u>	<u><b>50,290</b></u>
<b>NET ASSETS (LIABILITIES)</b>		<u><b>(4,658)</b></u>	<u><b>(19,822)</b></u>
<b>MEMBER'S FUNDS</b>			
Accumulated Surplus (Deficit)		<u>(4,658)</u>	<u>(19,822)</u>
<b>TOTAL MEMBER'S FUNDS</b>		<u><b>(4,658)</b></u>	<u><b>(19,822)</b></u>

The above statement should be read in conjunction with the notes

**MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)  
FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Accumulated Funds (Losses) \$</b>
<b>Balance at 30 June 2013</b>	(5,328)
Net Surplus (Deficit) for the year	(2,590)
Extraordinary Items	(11,904)
Total comprehensive income for the year	<u>(14,494)</u>
<b>Balance at 30 June 2014</b>	<u>(19,822)</u>
Net Surplus (Deficit) for the year	20,253
Extraordinary Items	(5,090)
Total comprehensive income for the year	<u>15,163</u>
<b>Balance at 30 June 2015</b>	<u>(4,658)</u>

The above statement should be read in conjunction with the notes

**Musicians Union Of Australia Federal Office ABN 99 561 356 238**  
**Statement of Cash Flows**  
**For the year ended 30 June 2015**

2015

2014

**Note 1. Reconciliation Of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank - Cheque Account	21,284	1,003
	21,284	1,003
	21,284	1,003

**Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit**

Operating profit (loss) after tax	20,253	(2,590)
Depreciation	482	599
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(26)	22
Increase (decrease) in trade creditors and accruals		(9)
Increase (decrease) in other creditors	(44)	9,750
Increase (decrease) in employee entitlements	2,361	2,888
Increase (decrease) in sundry provisions	2,343	1,656
<b>Net cash provided by operating activities</b>	<b>25,371</b>	<b>12,317</b>
	<b>25,371</b>	<b>12,317</b>

**Note 3. Reconciliation Of Net Cash Provided By (Used In) Extraordinary Item To Extraordinary Item After Income Tax**

Profit (loss) on extraordinary items	(5,090)	(11,904)
(Increase) decrease in income tax payable		
<b>Net cash provided by (used in) extraordinary item</b>	<b>(5,090)</b>	<b>(11,904)</b>
	<b>(5,090)</b>	<b>(11,904)</b>

The accompanying notes form part of these financial statements.

# MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE

## Notes to the Financial Report for the Year Ended 30 June 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Musician's Union of Australia Federal Office is a not-for-profit entity.

The financial report is for the Musician's Union of Australia Federal Office, an unincorporated association domiciled in Victoria and registered under the RO Act

The financial report has been prepared on an accrual basis and in accordance with historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

- a) (i) **Revenue**  
All income has been brought to account on an accrual basis during the course of the year.
- (ii) **Expenditure**  
Expenses represent amounts paid directly by the Union for operational costs.
- (iii) **Property, Plant and Equipment**  
Depreciation, using the diminishing value method, has been provided for in the Accounts on all Non-Current Assets, so as to allocate their cost over their estimated remaining useful life.
- (iv) **Employee Entitlements**  
Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment in the financial report.
- (v) **Income Tax**  
No provision for income tax is necessary, as Trade Unions are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.
- (vi) **Goods and Services Tax (GST)**  
Revenues and expenses are recognised net 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 part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables as appropriate.

#### b) **Going concern basis of accounting**

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

## **MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE**

### **Notes to the Financial Report for the Year Ended 30 June 2015**

#### **1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

##### **c) Adoption of New Australian Accounting Standard requirements**

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year and have not been impacted by any new standards adopted in the current financial year.

##### **d) Future Australian Accounting Standard requirements**

There have been no accounting standards issued prior to the sign off date, but not yet effective, which will have a material impact on the financial report in future periods.

#### **2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **(a) Critical accounting estimates and assumptions**

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

##### **(b) Critical judgments in applying the Branch's accounting principles**

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

#### **3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK COMMISSION**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 272 of Fair Work (Registered Organisations) Act 2009 which read as follows:

- 1) A member of a reporting unit, or the General Manager of Fair Work Commission, 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)

## MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE

### Notes to the Financial Report for the Year Ended 30 June 2015

	2015	2014
<b>4. PROFESSIONAL SERVICES</b>		
Auditors - Auditing the financial report	2,000	2,000
- Other Services	-	-
	<u>2,000</u>	<u>2,000</u>
Legal Costs - Litigation	-	-
- Other Services	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>5. RECEIVABLES</b>		
Sydney Branch Loan	27,560	27,534
	<u>27,560</u>	<u>27,534</u>
<b>6. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Reconciliation of opening and closing Balances		
(a) <b>Furniture &amp; Fittings</b>		
Net book Value as at 1 July	0	0
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	-	-
Disposals	-	-
Net book Value as at 30 June	<u>0</u>	<u>0</u>
(b) <b>Plant &amp; Equipment</b>		
Net book Value as at 1 July	1,932	2,531
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(482)	(599)
Disposals	-	-
Net book Value as at 30 June	<u>1,449</u>	<u>1,932</u>
<b>7. TRADE AND OTHER PAYABLES</b>		
Sundry Creditors	1,204	1,204
Other payables – legal costs	-	-
Consideration to employers for payroll deductions	-	-
Adelaide Branch Loan	16,468	16,511
	<u>17,671</u>	<u>17,715</u>

## MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE

### Notes to the Financial Report for the Year Ended 30 June 2015

#### 8. RELATED PARTY DISCLOSURES

During the reporting period, the Federal Office made transactions with/on behalf of the following related entities: Musician's Union of Australia Adelaide Branch, Brisbane Branch, Melbourne Branch and Sydney Branch. The net effect of transactions with related entities is fully disclosed in the financial statements and the notes to the accounts. These include:

- a) Sustentation (i.e. capitation) from the Branches (see Statement of Comprehensive Income)
- b) Loans to Sydney Branch and from Adelaide Branch (see Statement of Financial position)
- c) Subsidies and repayments (from/to Melbourne Branch) (see Note 10)

Items (b) and (c) above are unsecured, with no fixed term. No provision has been made, or expense recognised, for doubtful debts due from related parties.

Related parties of the Federal Office also include all members of the committee of management.

There have been no other transactions between the officers and the Federal Office other than those relating to their membership of the Branch and the reimbursement by the Federal Office 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.

<b>Employees Benefits</b>	<b>Employees</b>	<b>Office Holders</b>
Wages and Salaries	9,964	11,810
Superannuation	1,198	1,286
Leave and other entitlements	269	276
Separation and redundancies	0	0
Other Employee Expenses	0	0
<b>TOTAL</b>	<b>11,431</b>	<b>13,372</b>

#### Cashflows with Reporting Units

<b>2015 Cash Flows</b>	<b>Cash Inflow</b>	<b>Cash Outflow</b>
Adelaide Branch	459	-
Brisbane Branch	103	-
Melbourne Branch	-	4,136
Sydney Branch	-	-
Launceston Branch	-	-
Hobart Branch	-	-
	<b>562</b>	<b>4,136</b>

The reporting unit provides financial support to ensure another reporting unit (as defined under the Fair Work (Registered Organisations) Act 2009) has the ability to continue as a going concern

#### Name of Reporting Unit

Musicians' Union of Australia (Sydney Branch)

#### Terms & Conditions

- Federal Office approval required before entering any financial commitment
- Federal Office not liable for any expenses resulting from any fines, breaches of legislation or any impropriety undertaken by any representative of the Sydney Branch, or representative of any other Branch acting on behalf of the Sydney Branch



## MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE

### Notes to the Financial Report for the Year Ended 30 June 2015

#### 9. GOING CONCERN

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

Whilst this support is not guaranteed, the continued communication and co-operation between the Federal Office and the Branches in working to a common goal leads to the conclusion that at the time of this report there is no foreseeable reason why financial support will be withheld or withdrawn.

The Branches (Adelaide in particular) have the capacity and willingness to continue this support.

#### 10. MELBOURNE BRANCH SUBSIDIES

	<u>2015</u>	<u>2014</u>
	\$	\$
Balance Brought Forward	202,915.20	217,619.43
Add: Current Year Advances	<u>32,400.08</u>	<u>28,551.04</u>
	235,315.28	246,170.47
Less: Advances refunded	<u>37,489.63</u>	<u>43,255.27</u>
Balance Carried Forward	<u><u>197,825.65</u></u>	<u><u>202,915.20</u></u>
Interest on Advances B/Fund	109,786.39	95,670.41
Add: Current Year Interest	<u>13,842.54</u>	<u>14,115.98</u>
Interest on Advance C/Fwd	<u><u>123,628.93</u></u>	<u><u>109,786.39</u></u>

Melbourne Branch Subsidies (and interest payable) have not been brought to account a liability of the Federal Office on the basis that they have been fully expended on meeting Federal Office expenses and are not capable of being refunded except out of future income of the Union which at balance date was not considered certain. The above figures are for information purposes only; representing, at worst, a contingent liability.

## **MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE**

### **Notes to the Financial Report for the Year Ended 30 June 2015**

#### **11. FINANCIAL RISK MANAGEMENT**

##### **(a) General objectives, policies and processes**

The Federal Office is exposed to risks that arise from its use of financial instruments. This note describes the Federal Office's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Federal Office's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Federal Office's financial instruments consist of deposits with banks, receivables and payables. The main risks the Federal Office is exposed to through its financial instruments are credit risk and liquidity risk.

The Committee of Management has overall responsibility for the determination of the Federal Office's risk management objectives and policies.

##### **(b) Credit Risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Federal Office incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Federal Office.

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 Detailed Statement of Financial Position and the Notes to the Accounts.

##### **(c) Liquidity Risk**

Liquidity risk is the risk that the Federal Office may encounter difficulties raising funds to meet commitments associated with financial instruments. The Federal Office manages liquidity risk by monitoring cash flows. The liquidity of the Federal Office is dependent of the continued support of affiliate branches.

#### **Other disclosures under AASB 7 – Financial Risk Management**

Para 25 - The carrying value of all financial assets and liabilities is equivalent to fair value (refer Para 29)

Para 20 - Income and expenses from financial assets and liabilities are fully disclosed in the Income and Expenditure Statement.

Para 36 – The carrying amount of all financial instruments best represents maximum exposure to credit risk

#### **12. SUBSEQUENT EVENTS**

There were no events that occurred after 30 June 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Musician's Union of Australia – Federal Office.

## **MUSICIAN'S UNION OF AUSTRALIA – FEDERAL OFFICE**

**Notes to the Financial Report for the Year Ended 30 June 2015**

### **13. ADDITIONAL BRANCH INFORMATION**

The registered office and principal place of business of the Union is:

Musicians' Union of Australia – Federal Office

U4 23A King William Road, Unley. 5061

## INDEPENDENT AUDITOR'S REPORT

To the members of the Musician's Union of Australia

### Report on the Financial Report

We have audited the accompanying financial report of Musician's Union of Australia, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and committee of management's statement.

### Committee of Management and the Branch Secretary's Responsibility for the Financial Report

The Committee of Management and the Branch Secretary are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Fair Work (Registered Organisation) Act 2009* and is appropriate to meet the needs of the members.

The Committee of Management and the Branch Secretary's responsibility also includes such internal control as they determine is necessary to enable the preparation of a financial report that gives a true and fair view and 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 company's preparation of the financial report that gives a true and fair view 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 company'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.

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 *Fair Work (Registered Organisation) Act 2009*. We confirm that the independence declaration required, which has been given to the Committee of the Musician's Union of Australia, would be in the same terms if given to the Committee of Management as at the time of this auditor's report.

### **Opinion**

In our opinion:

- (a) the general purpose financial report of the Musician's Union of Australia is in accordance with the *Fair Work (Registered Organisation) Act 2009*, including:
  - (i) presents fairly the entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards to the extent described and the *Fair Work (Registered Organisation) Act 2009*.
- (b) management's use of the going concern basis of accounting in the preparation of the financial report of the Musician's Union of Australia is appropriate.

### **Auditor's qualification**

We confirm that Natale Rugari:

- (a) is an approved auditor;
- (b) is a person who is a member of CPA Australia; and
- (c) holds a current Public Practice Certificate.

### **Ascensio Accountants**



**Natale Rugari**  
**Principal**

North Adelaide, 10<sup>th</sup> February 2016