



10 March 2016

Mr Alan Richards
Secretary
Musicians' Union of Australia, Melbourne Branch
8 Palmerston Street
Camberwell VIC 3124

By e-mail: musiciansua@gmail.com

Dear Mr Richards

**Musicians' Union of Australia, Melbourne Branch
Financial Report for the year ended 30 June 2015 - FR2015/213**

I acknowledge receipt of the amended financial report for the year ended 30 June 2015 for the Musicians' Union of Australia, Melbourne Branch. The financial report was lodged with the Fair Work Commission (FWC) on 6 March 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

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.

Please note that this information is required in addition to employee expenses required under paragraph 16(f) of the Reporting Guidelines made under section 255 of the *Fair Work (Registered Organisations) Act 2009*.

Disclosure of employee provisions to office holders

The Reporting Guidelines require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders (item 20(c)). Item 20(c) of the reporting guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

The Statement of Financial Position has disclosed annual leave and long service leave separately for office holders, but does not separately disclose separation and redundancies and other employee provisions provided for officers.

The Reporting Guidelines require that office holder provisions be detailed separately (refer to item 20(c)).

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

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

Yours sincerely



Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch



Musicians' Union of Australia
Melbourne Branch

8 Palmerston Street
Camberwell, VIC. 3124
email: melbournel.secretary@musicians.asn.au

5 March 2016

Certificate of Secretary

S268 of Schedule 1B *Workplace Relations Act 1996*

I, Alan Richards, being the Acting Secretary of the Musicians' Union of Australia Melbourne Branch 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 amended full report was made available to members of the reporting unit, via hosting on the Union website; and
- that the full report was presented and accepted via electronic vote by the Melbourne Branch Committee of Management on the 18th of February 2016. Unfortunately, due to delays in receiving the full report and subsequent amendments requested by FairWork Australia, 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

Alan Richards
Acting Melbourne Secretary
Musicians' Union of Australia

**MUSICIANS' UNION OF AUSTRALIA
MELBOURNE BRANCH**

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

MUSICIAN'S UNION OF AUSTRALIA - MELBOURNE BRANCH

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OPERATING REPORT - Melbourne Branch
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 Melbourne Branch during the financial year were 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.

Significant changes in financial affairs

There were no significant changes to the finances of the Melbourne Branch of the Musicians' Union.

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 – Melbourne Branch was 177.

Number of employees

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: 0.2

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:

NAME		PERIOD
Terry Noone	Secretary	01/07/2014 - 30/06/2015
Gavan Anderson	President	01/07/2014 - 30/06/2015
Ed Bates	Vice President	01/07/2014 - 30/06/2015
Martin Zakharov	Vice President	01/07/2014 - 30/06/2015
Alan Richards	Treasurer	01/07/2014 - 30/06/2015
David James	Committee	01/07/2014 - 30/06/2015
Peter Whitford	Committee	01/07/2014 - 30/06/2015
Stephen Williams	Committee	01/07/2014 - 30/06/2015
Gavan Anderson	Trustee	01/07/2014 - 30/06/2015
Terry Noone	Trustee	01/07/2014 - 30/06/2015
Alan Richards	Trustee	01/07/2014 - 30/06/2015

Signature

Alan Richards
Secretary

Date: 14/12/2015

Musicians' Union of Australia – Melbourne Branch
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 – Melbourne Branch 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- Melbourne Branch, 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 'Alan Richards', is written over the signature line.

Alan Richards
Secretary

Date: 14-12-15

MUSICIAN'S UNION OF AUSTRALIA - MELBOURNE BRANCH

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
INCOME			
Capitation Fees		-	-
Levies		-	-
Grants and/or Donations		-	-
Membership Dues & Subscriptions		9,738	21,218
Distribution from Trusts		748	743
Interest Received		4,250	4,296
Sundry Income		1,549	-
TOTAL INCOME		<u>16,286</u>	<u>26,257</u>
EXPENDITURE			
Affiliation fees		-	-
Bank charges		747	935
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Computing		30	-
Conference & meeting expenses		-	-
Debt Collection		-	345
Depreciation		911	1,071
Write –Down to Value of Investments		11,121	(12,584)
Employee expenses		-	-
Federal Sustentation Fees		954	1,424
Fees/allowances – meeting and conferences		-	-
Grants or donations		-	-
Holiday Pay (provisions)		843	1,571
Long Service Leave (provisions)		287	304
Meeting Expenses		76	-
Motor Vehicle & Travelling Expenses		761	1,174
Penalties – via RO Act or RO Regulations*		-	-
Postage		323	217
Printing & Stationery		370	426
Publications & Subscriptions		500	-
Professional services	4	2,000	2,000
Storage & Removal		-	13
Salaries & Allowances – Officials		12,342	14,066
Superannuation – Officials		1,565	2,101
Sundry Expenses		36	165
Telephone & Internet		3,052	3,024
TOTAL EXPENDITURE		<u>35,917</u>	<u>16,252</u>
NET SURPLUS/ (DEFICIT) FOR THE YEAR		<u>(19,631)</u>	<u>10,005</u>
Profit from Extraordinary Items		5,090	14,704
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(14,542)</u>	<u>24,710</u>
Opening Accumulated Surplus		(1,438,820)	(1,463,529)
Net surplus (deficit) attributable to the Branch		(14,542)	24,710
CLOSING RETAINED PROFITS		<u>(1,453,362)</u>	<u>(1,438,820)</u>

The above statement should be read in conjunction with the notes

MUSICIAN'S UNION OF AUSTRALIA - MELBOURNE BRANCH

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Commonwealth Bank		3,106	8,607
ANZ Bank		46	201
PayPal		1,187	591
Receivables	5	2,561	5,806
Total Current Assets		<u>6,900</u>	<u>15,206</u>
Non-Current Assets			
Other Financial Assets			
NABHA (529 income securities)		53,561	53,561
CQR (13,600 Units)		25,024	25,024
MBLHB (500 income securities)		51,348	51,348
Increase (Decrease) in Market Value		(44,829)	(33,708)
		<u>85,104</u>	<u>96,225</u>
Property, Plant & Equipment			
Furniture & Fittings		118,188	118,188
Less: Accumulated Depreciation		(116,052)	(115,675)
Motor Vehicles		9,800	9,800
Less: Accumulated Depreciation		(6,777)	(6,243)
		<u>5,159</u>	<u>6,070</u>
Total Non-Current Assets		<u>90,263</u>	<u>102,295</u>
TOTAL ASSETS		<u>97,163</u>	<u>117,501</u>
CURRENT LIABILITIES			
Current Liabilities			
Funds Held in Trust – Federal Office		3,940	3,940
Funds Held in Trust – Sydney		21,258	21,042
Funds Held in Trust – Other		1,313	1,313
Trade & Other Payables	6	220	220
		<u>26,730</u>	<u>26,515</u>
Current Tax Liabilities			
GST Clearing		63	1,575
PAYG Withholding Payable		168	193
Fringe Benefits Tax		-	7,605
ATO Running Account		3,570	3,570
		<u>3,801</u>	<u>12,943</u>
Provisions			
Provision for Annual Leave - Officials		32,772	31,929
Provision for Long Service Leave - Officials		18,811	18,524
Provision for Audit Fees		16,000	14,000
		<u>67,583</u>	<u>64,453</u>
TOTAL LIABILITIES		<u>98,114</u>	<u>103,910</u>

MUSICIAN'S UNION OF AUSTRALIA - MELBOURNE BRANCH

**STATEMENT OF FINANCIAL POSITION cont.
AS AT 30 JUNE 2015**

NET ASSETS (LIABILITIES)	<u>(951)</u>	<u>(13,591)</u>
MEMBER'S FUNDS		
Capital Profits Reserve	1,452,411	1,452,411
Accumulated Surplus (Deficit)	<u>(1,453,362)</u>	<u>(1,438,820)</u>
ACCUMULATED FUNDS (LOSSES)	<u>(951)</u>	<u>13,591</u>

The above statement should be read in conjunction with the notes

MUSICIAN'S UNION OF AUSTRALIA - MELBOURNE BRANCH

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

	Accumulated Surplus (Deficit)	Capital Profits Reserve	TOTAL
Balance at 30 June 2013	(1,463,529)	1,452,411	(11,118)
Net Surplus (Deficit) for the year	10,005	-	10,005
Extraordinary Items	14,704	-	14,704
Total comprehensive income for the year	24,710	-	24,710
Balance at 30 June 2014	(1,438,820)	1,452,411	13,591
Net Surplus (Deficit) for the year	(19,631)	-	(19,631)
Extraordinary Items	5,090	-	5,090
Total comprehensive income for the year	(14,542)	-	(14,542)
Balance at 30 June 2015	(1,453,362)	1,452,411	(951)

The above statement should be read in conjunction with the notes

Musicians Union Of Australia Melbourne Branch
Statement of Cash Flows
For the year ended 30 June 2015

	2015	2014
	\$	\$
<hr/>		
Cash Flow From Operating Activities		
Receipts from customers	15,281	17,084
Payments to Suppliers and employees	(29,681)	(27,096)
Interest received	4,250	4,296
Net cash provided by (used in) operating activities (note 2)	<u>(10,150)</u>	<u>(5,716)</u>
 Cash Flow From Extraordinary Items		
Net cash provided by (used in) extraordinary item (note 3)	<u>5,090</u>	<u>14,704</u>
Net increase (decrease) in cash held	(5,060)	8,988
Cash at the beginning of the year	<u>9,399</u>	<u>411</u>
Cash at the end of the year (note 1)	<u><u>4,339</u></u>	<u><u>9,399</u></u>

The above statement should be read in conjunction with the notes

MUSICIAN'S UNION OF AUSTRALIA – MELBOURNE BRANCH

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 Melbourne Branch is a not-for-profit entity.

The financial report is for the Musician's Union of Australia Melbourne Branch, 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**
Members Subscription 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 Branch 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 – MELBOURNE BRANCH

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.

e) Financial Instruments

Financial assets and liabilities are recognised when the Melbourne Branch becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value.

(i) Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit and loss, and loans and receivables.

Fair Value through profit and loss

Financial assets at fair value through profit and loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss is included in the 'profit (loss)' line in the income and expenditure statement.

Loans and receivables

Loans and receivables are measured at cost. Interest charges are not applied.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

De-recognition of Financial Assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(ii) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Fair Value through profit and loss

MUSICIAN'S UNION OF AUSTRALIA – MELBOURNE BRANCH

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

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Other Financial Liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs

De-recognition of Financial Liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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 – MELBOURNE BRANCH

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

	2015	2014
4. PROFESSIONAL SERVICES		
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>
5. RECEIVABLES		
Interest Receivable	859	859
Sundry Debtors	(5,168)	(1,726)
Membership Fees Outstanding	6,870	6,673
	<u>2,561</u>	<u>5,806</u>
6. TRADE AND OTHER PAYABLES		
Sundry Creditors	220	220
Other payables – legal costs	-	-
Consideration to employers for payroll deductions	-	-
	<u>220</u>	<u>220</u>
*There are no amounts payable to other reporting units		
7. PROPERTY, PLANT & EQUIPMENT		
Reconciliation of opening and closing Balances		
(a) Furniture & Fittings		
Net book Value as at 1 July	2,513	2,956
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(377)	(443)
Disposals	-	-
Net book Value as at 30 June	<u>2,136</u>	<u>2,513</u>
(b) Plant & Equipment		
Net book Value as at 1 July	3,557	4,185
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(534)	(628)
Disposals	-	-
Net book Value as at 30 June	<u>3,023</u>	<u>3,557</u>

MUSICIAN'S UNION OF AUSTRALIA – MELBOURNE BRANCH

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

8. RELATED PARTY DISCLOSURES

During the reporting period, the Melbourne Branch made transactions with/on behalf of the following related entities: Musician's Union of Australia Federal Office 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) to the Federal Office (see Income & Expenditure Statement)
- b) Funds held in trust for Sydney Branch (see Statement of Financial position)
- c) Subsidies and repayments (from/to Melbourne Branch) (see Note 8)

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 Melbourne Branch also include all members of the committee of management.

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

Employees Benefits	Employees	Office Holders
Wages and Salaries	-	12,342
Superannuation	-	1,565
Leave and other entitlements	-	287
Separation and redundancies	-	-
Other Employee Expenses	-	-
TOTAL	-	14,194

Cashflows with Other Reporting Units

2015 Cash Flows	Cash Inflow	Cash Outflow
Federal Office	-	26
Adelaide Branch	-	-
Brisbane Branch	-	-
Sydney Branch	216	-
Launceston Branch	-	-
Hobart Branch	-	-
	216	26

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 Federal Office

Terms & Conditions

- Melbourne Branch approval required before entering any financial commitment
- Melbourne Branch not liable for any expenses incurred prior to July 2013
- Melbourne Branch not liable for any expenses resulting from any fines, breaches of legislation or any impropriety undertaken by any representative of the Federal Office, or representative of any other Branch acting on behalf of the Federal Office

MUSICIAN'S UNION OF AUSTRALIA – MELBOURNE BRANCH

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

9. GOING CONCERN

The financial report has been prepared on the basis of the Branch as a going concern due to the continued financial support that the Branch receives from its members, its affiliated branches, and both secured and unsecured creditors.

Whilst this support is not guaranteed, the continued communication and co-operation between the Melbourne Branch, the Federal Office and the other 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. FEDERAL OFFICE 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>

Federal Office Subsidies (and interest receivable) have not been brought to account as an asset of the Branch on the basis that the Branch's Federal Office does not have the capacity to refund such amounts and, accordingly, their recoverability is not certain. Accordingly, the above figures are for information purposes only; representing, at best, a contingent asset

11. FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

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

There have been no substantive changes in the Branch'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 Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are credit, risk liquidity risk and market risk.

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

(b) *Credit Risk*

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

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 Branch may encounter difficulties raising funds to meet commitments associated with financial instruments.

There is a risk that the Branch will be unable to meet its commitments in future years, given that the net asset position of the branch at balance date is (\$951). The Branch manages liquidity risk by monitoring cash flows.

(d) *Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

Sensitivity analysis of the risk that the entity is exposed to for 2015

Risk variable		Change in risk variable %	Effect on	
			Profit and loss	Equity
Interest rate risk	-	[+ 1.00]	\$1,029-	\$1,029
Interest rate risk	-	[- 1.00]	(\$1,029)	(\$1,029)

Risk variable		Change in risk variable %	Effect on	
			Profit and loss	Equity
Other price risk	-	[+ 5.00]	\$577	\$577
Other price risk	-	[- 5.00]	(\$577)	(\$577)

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

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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 Branch.

13. ADDITIONAL BRANCH INFORMATION

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

Musicians' Union of Australia – Melbourne Branch
8 Palmerston Street
Camberwell, Vic. 3124

INDEPENDENT AUDITOR'S REPORT

To the members of Musicians' Union of Australia - Melbourne Branch

Report on the Financial Report

We have audited the accompanying financial report of Musicians' Union of Australia - Melbourne Branch, 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 Management of Musicians' Union of Australia - Melbourne Branch, 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 Musicians' Union of Australia - Melbourne Branch 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, 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 Musicians' Union of Australia - Melbourne Branch 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, 11th February 2016