



FAIR WORK  
AUSTRALIA

28 December 2012

Mr Sam Moody  
Secretary, Adelaide Branch  
Musicians' Union of Australia  
U4/23A King William Road  
UNLEY SA 5061

Dear Mr Moody

**Re: Lodgement of Financial Statements and Accounts – Musicians' Union of Australia,  
Adelaide Branch – for year ending 30 June 2012 (FR2012/400)**

I refer to the abovementioned financial statements and accounts which were received by Fair Work Australia on 21 December 2012.

The documents have been filed. I must draw your attention however to the following matters of detail where future reports will more fully comply with various provisions, as properly interpreted and in line with recent advice I have received.

- (1) Sub-section 254(2)(a) requires an Operating Report to contain a review of the principal activities, the results of those activities and any significant changes to the nature of these activities. Your Operating Report listed the principal activities but did not state whether there had been any significant changes to the nature of these activities and did not include information that might be properly said to be characterized as “results of those activities”.

From a comparison with the list of activities appearing on the previous year's Operating Report I have inferred that there has been no significant change in the nature of the activities but prescribed information should be ascertainable directly from the face of the documents.

The purpose behind the “review” on the Operating Report is to give the ordinary member-reader a concise description or profile of the Branch's overall affairs for the past year. The Branch should therefore consider how it might, however concisely, describe any results of its activities in future Operating Reports, and, for the sake of clarity, state whether or not there had been any change in the nature of its activities.

- (2) Sub-section 254(b) requires the Operating Report to include details of any significant changes in the reporting unit's financial affairs.

The purpose of this requirement is to indicate to a member/reader in non-numerical terms whether and/or in what manner the financial affairs might have changed if they have. If there has been no significant change in the financial affairs, future Operating Reports should include a simple statement to this effect.

- (3) Sub-section 254(d) requires the Operating Report to include details of any officer or member who is a trustee of a superannuation entity or a director of a company which is a trustee of a superannuation entity requiring its trustees to be officers or members of a registered organization.

I have generally inferred from the absence of any details provided that there are no such trustees, but again, where there are no such trustees a simple statement to this effect will remove any doubt for the ordinary member/reader.

- (4) The Operating Report discloses that there was one part-time employee and the Detailed Income Statement discloses a balance of \$39,828 for the item "Salaries - Secretary".

It is my understanding that this item represents employee benefits paid to you, in your capacity as an office-holder, holding the office of Secretary. If this is correct, then this would be a related party transaction within the meaning of Australian Accounting Standards (AASB) 124 which should have been disclosed as such in the Notes to the Accounts.

The Notes in future reports should include, where applicable, this item under Related Party Disclosures as compensation to key management personnel.

- (5) Paragraph 15 of the Reporting Guidelines requires as follows:

*15. Where another reporting unit of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned.*

The Detailed Income Statement discloses a balance of \$579 for the item generically described as "Federal Dues". If my understanding of the term is correct, this would represent a cash outflow to the Federal Office of the organisation, in which case a separate note should have more explicitly specified the Federal Office as the recipient of the amount.

- (6) Australian Accounting Standard (AASB) 118 requires that the accounting policies for the recognition of revenue (which includes several categories) be disclosed and AASB 101 requires that financial statements be prepared using the accrual basis of accounting.

A significant proportion of the total revenue included Interest of \$81,529. However Note 1(f) discloses that "Members Subscription income has been brought to account on a cash basis".

I would ask that you bring these matters to your auditor's attention for reference in preparation of future reports. I attach a copy of the Reporting Guidelines and an extract of section 254 of the Act. If you have any query in relation to the reporting obligations in relation to future reports, please do not hesitate to contact me on (02) [REDACTED] [REDACTED].

Yours sincerely



Stephen Kellett  
Regulatory Compliance Branch



Stephen Kellett  
Statutory Services Branch  
Fair Work Australia  
Level 8, 80 William St  
East Sydney NSW 2011

Musicians Union of Australia  
Adelaide Branch  
U4/ 23A King William Rd  
Unley, SA, 5061  
ph 8272 5013  
mob 0412 933 865  
email musosa@bigpond.net.au

21 December 2012

Dear Sir

**Certificate of Secretary**

S268 of Schedule 1B *Workplace Relations Act 1996*

I, Sam Moody, being the Secretary of the Musicians' Union of Australia - Adelaide Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was delivered to members as an attachment to an email on the 20th of November 2012 which advised that a General Meeting of the Union would be held on the 19<sup>th</sup> of December 2012 thus allowing a minimum 21 days notice as per (s265(5)). For those members who have not provided an email contact, a letter was posted advising them of the General meeting and informing them that the full report was available for download from the Union website or a copy could be posted to them upon request; and
- the full report was presented and accepted at the Annual General Meeting on the 19<sup>th</sup> of December 2012 in accordance with (s266).

Yours Faithfully

Sam Moody  
Secretary

Musicians Union of Australia - Adelaide Branch



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4 September 2012

### **Committee Of Management Statement**

On the 4<sup>th</sup> September 2012 the Committee of Management of the Musicians' Union of Australia - Adelaide Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Musicians' Union of Australia – Adelaide Branch for the financial year ended 30<sup>th</sup> June 2012.

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 Industrial Registrar;
- (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 Musicians' Union of Australia – Adelaide Branch 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 Musicians' Union of Australia; and
  - (ii) the financial affairs of the Musicians' Union of Australia – Adelaide Branch have been managed in accordance with the rules of the organisation; and
  - (iii) the financial affairs of the Musicians' Union of Australia – Adelaide Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) where the organisation consists of 2 or more reporting units, 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 Musicians' Union of Australia – Adelaide Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member of Registrar; and
  - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Doug Clarke  
President  
Musicians' Union of Australia - Adelaide Branch



Musicians Union of Australia  
Adelaide Branch  
U4 23A King William Rd  
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ph 8272 5013  
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### STATEMENT OF THE ACCOUNTING OFFICER FOR THE YEAR END 30<sup>TH</sup> JUNE, 2012

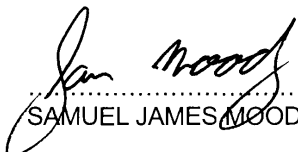
I, **SAMUEL JAMES MOODY**, being the officer responsible for keeping the accounting records of the Musicians' Union of Australia, Adelaide Branch, certify that as at 30<sup>th</sup> June, 2012 the number of members of the organisation was 188.

In my opinion:-

- (a) The accompanying Accounts are drawn up so as to give a true and fair view of the financial affairs of the organisation as at 30<sup>th</sup> June, 2012
- (b) A record has been kept of all moneys paid by, or collected from, members of the organisation, and all moneys so paid or collected have been credited to the bank accounts to which those moneys are to be credited, in accordance with the rules of the organisation.
- (c) Before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation.
- (d) Funds of the organisation raised by compulsory levies or voluntary contributions by members, or funds other than the General Fund, were operated in accordance with the rules of the organisation, and no payments were made out of any such fund for a purpose other than those for which the fund was operated.
- (e) No loan or other financial benefits, other than remuneration in respect of their employment with the organisation, were made to persons holding office in the organisation.
- (f) The register of members of the branch was maintained in accordance with the Act.
- (g) The Accounts have been prepared in accordance with applicable Australian Accounting Standards.

Signed at Adelaide this

*9th* day of *November* 2012

  
.....  
SAMUEL JAMES MOODY

Sam Moody  
Secretary / Treasurer  
Musicians Union of Australia – Adelaide Branch

## MUSICIANS' UNION OF AUSTRALIA - ADELAIDE BRANCH

### OPERATING REPORT

This Operating Report covers the activities of the Musicians' Union of Australia - Adelaide Branch, for the financial year ended 30<sup>th</sup> June 2012, the results of those activities and any significant changes in the nature of those activities during the year.

#### 1. Principal Activities of the Branch

The principal activities of the Adelaide Branch during the past year fell into the following categories:

Implementation of the decisions of the Branch Committee and Federal Council

Industrial support including representation of individual member grievances, advice on legal and legislative matters.

The administration of Federal Awards.

Communications to members via newsletters and to the broader community via media releases and interviews in support of campaigns.

The Branch has consulted with the SA Unions and State and Federal Governments in the development of policy with regard to working musicians.

#### 2. Right of Members to Resign

All members of the Union have the right to resign from the Union in accordance with Rule 14 (1) and 14 (3) of the Union Rules, (and Section 264 of the *Workplace Relations Act 1996*)

#### 3. Membership of the Branch

There were 188 members of the Branch as at 30<sup>th</sup> June 2012

#### 4. Employees of the Adelaide Branch

As at the 30<sup>th</sup> of June 2012 the Branch employed 1 part time employee

#### 5. Adelaide Branch Committee of Management

The following persons were members of the Branch Committee of Management, during the year ended 30<sup>th</sup> June 2012

President	Hewitt	T. Alan	July 2011 – October 2011
President	Clarke	Douglas G	November 2011 – June 2012
Vice President	Clarke	Douglas G	July 2011 – October 2011
Vice President	Lyle	John G	July 2011 – June 2012
Vice President	Fiddian	Ian	November 2011 – June 2012
Secretary/Treasurer	Moody	Samuel J	July 2011 – June 2012
Committee Member	Brow	Donald	July 2011 – June 2012
Committee Member	Fiddian	Ian	July 2011 – October 2011
Committee Member	Bevan	Michael	July 2011 – June 2012
Committee Member	Newton	Ian	July 2011 – June 2012
Committee Member	Kostoglou	Letho	July 2011 – June 2012
Committee Member	Turner	Alan	July 2011 – June 2012
Trustee	Clarke	Douglas G.	July 2010 – June 2011
Trustee	Guy	Robert W.	July 2010 – June 2011

  
.....  
SAM MOODY, BRANCH SECRETARY  
9<sup>th</sup> November 2012

**MUSICIANS UNION OF AUSTRALIA ADELAIDE  
BRANCH**

**Financial Statements  
For the year ended 30 June 2012**

**NKM Accounting**

Suite 17, 116-120 Melbourne Street  
NORTH ADELAIDE SA 5006

Phone: 08 8267 4800 Fax: 08 8239 0728

Email: [nat@rugari.com.au](mailto:nat@rugari.com.au)

**MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH**  
**Detailed Balance Sheet As At 30 June 2012**

	2012	2011
	\$	\$
<hr/>		
<b>Current Assets</b>		
<b>Cash Assets</b>		
Cash At Bank Commonwealth	2,646	2,574
Musicians' Mortuary Benefit Trust A/C	30,052	29,865
Cash on hand	200	200
	32,898	32,639
<b>Other</b>		
ING Deposit Account	46,385	49,272
ING Term Deposit	538,000	538,000
CBA Term Deposit	520,000	500,000
Federal Expenses Recoupable	6,765	0
	1,111,150	1,087,272
<b>Total Current Assets</b>	<b>1,144,048</b>	<b>1,119,911</b>
<b>Non-Current Assets</b>		
<b>Property, Plant and Equipment</b>		
Office & Furniture Equipment	55,359	55,359
Less: Accumulated amortisation	(54,703)	(53,960)
	656	1,399
<b>Total Non-Current Assets</b>	<b>656</b>	<b>1,399</b>
<b>Total Assets</b>	<b>1,144,704</b>	<b>1,121,310</b>

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The accompanying notes form part of these financial statements.



**MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH**  
**Detailed Balance Sheet As At 30 June 2012**

	2012	2011
	\$	\$
<hr/>		
<b>Current Liabilities</b>		
<b>Payables</b>		
<b>Unsecured:</b>		
Trade creditors current	6,982	3,407
	<u>6,982</u>	<u>3,407</u>
<b>Provisions</b>		
Annual Leave (provisions)	4,935	9,165
Long Service Leave (provision)	8,580	5,202
	<u>13,515</u>	<u>14,367</u>
<b>Total Current Liabilities</b>	<u>20,497</u>	<u>17,774</u>
<b>Total Liabilities</b>	<u>20,497</u>	<u>17,774</u>
<b>Net Assets</b>	<u>1,124,207</u>	<u>1,103,536</u>
<b>Members' Funds</b>		
<b>Reserves</b>		
Musicians' Mortuary Benefit Fund	30,807	30,620
Non Union Trust Fund	345	345
Accumulated surplus (deficit)	1,093,055	1,072,571
<b>Total Members' Funds</b>	<u>1,124,207</u>	<u>1,103,536</u>

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The accompanying notes form part of these financial statements.

**MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH**  
**Statement of Changes in Equity**

	<b>Retained Profits</b>	<b>Total</b>
<b>Balance at 01/07/2010</b>	1,074,813	1,074,813
Profit attributable to the members	(2,242)	(2,242)
Subtotal	1,072,571	1,072,571
<b>Balance at 30/06/2011</b>	1,072,571	1,072,571
Profit attributable to the members	20,484	20,484
Subtotal	1,093,055	1,093,055
<b>Balance at 30/06/2012</b>	1,093,055	1,093,055

**MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH**  
**Detailed Income Statement**  
**For the year ended 30 June 2012**

	2012	2011
	\$	\$
<b>Income</b>		
Interest received	81,529	52,332
Subscriptions	5,795	7,740
Rent rebate	0	1,457
<b>Total income</b>	<b>87,324</b>	<b>61,529</b>
<b>Expenses</b>		
Accountancy & Audit fees	1,240	1,100
Advertising and promotion	1,241	1,924
Affiliation fees / UTLC	2,191	1,400
Bank Fees And Charges	390	421
Delivery	0	176
Depreciation	743	465
Federal dues	579	774
Holiday pay ( provisions )	(4,230)	1,410
Insurance	434	252
Legal fees	185	250
Light & power	3,335	779
Long Service Leave ( provision )	3,378	5,202
Meetings & conference expenses	380	99
Postage	49	826
Rates & land taxes	1,400	861
Rent	6,913	8,169
Repairs & maintenance	763	718
Salaries - secretary	39,828	31,410
Secretarial & office expenses	1,169	973
Superannuation	3,570	2,827
Telephone	2,729	3,224
Workcover	553	511
<b>Total expenses</b>	<b>66,840</b>	<b>63,771</b>
<b>Profit from ordinary activities</b>	<b>20,484</b>	<b>(2,242)</b>
<b>Net profit attributable to the association</b>	<b>20,484</b>	<b>(2,242)</b>
<b>Total changes in equity of the association</b>	<b>20,484</b>	<b>(2,242)</b>
Opening retained profits	1,072,571	1,074,813
Net profit attributable to the association	20,484	(2,242)
<b>Closing retained profits</b>	<b>1,093,055</b>	<b>1,072,571</b>

The accompanying notes form part of these financial statements.

**MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH**  
**Statement of Cash Flows**  
**For the year ended 30 June 2012**

	2012	2011
	\$	\$
<hr/>		
<b>Cash Flow From Operating Activities</b>		
Receipts from members	5,795	10,256
Payments to Suppliers and employees	(63,374)	(63,189)
Interest received	81,529	52,332
Net cash provided by (used in) operating activities (note 2)	<u>23,950</u>	<u>(601)</u>
 <b>Cash Flow From Investing Activities</b>		
<b>Payment for:</b>		
Other Assets	<u>(6,765)</u>	<u>0</u>
Net cash provided by (used in) investing activities	<u>(6,765)</u>	<u>0</u>
 Net increase (decrease) in cash held	 17,185	 (601)
 Cash at the beginning of the year	 <u>1,120,098</u>	 <u>1,120,512</u>
Cash at the end of the year (note 1)	<u>1,137,283</u>	<u>1,119,911</u>

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The accompanying notes form part of these financial statements.

**MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH**  
**Statement of Cash Flows**  
**For the year ended 30 June 2012**

2012

2011

**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 Commonwealth	2,646	2,574
Musicians' Mortuary Benefit Trust A/C	30,052	29,865
Cash on hand	200	200
ING Deposit Account	46,385	49,272
ING Term Deposit	538,000	538,000
CBA Term Deposit	520,000	500,000
	<u>1,137,283</u>	<u>1,119,911</u>

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

Operating profit (loss)	20,484	(2,242)
Depreciation	743	465
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	0	1,059
Increase (decrease) in trade creditors and accruals	3,575	(6,495)
Increase (decrease) in employee entitlements	(852)	6,612
<b>Net cash provided by operating activities</b>	<u><b>23,950</b></u>	<u><b>(601)</b></u>

The accompanying notes form part of these financial statements.

**MUSICIANS UNION OF AUSTRALIA - ADELAIDE BRANCH**  
**Income & Expenditure Statements**  
**For the year ended 30 June 2012**

	<b>2012</b>	<b>2011</b>
<b>Non Union Trust Fund</b>		
Trust Fund balance at beginning of year	345	345
	-----	-----
Trust Fund balance at end of Year	345	345
	=====	=====

<b>Musicians Mortuary Benefit Fund</b>		
<b>Income</b>		
Interest received	1,387	1,459
<b>Expense</b>		
Payments	1,200	400
	-----	-----
<b>Surplus/(Deficit) for year</b>	<b>187</b>	<b>1,059</b>
	-----	-----
Benefit Fund balance at beginning of year	30,620	29,561
	-----	-----
Benefit Fund balance at end of year	30,807	30,620
	=====	=====

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The accompanying notes form part of these financial statements.

**MUSICIANS UNION OF AUSTRALIA - ADELAIDE BRANCH**  
**Depreciation Schedule**  
**Plant & Equipment**

Description	Purchase Date	Cost	DISPOSALS ETC				ADDITIONS					Closing WDV	
			Opening WDV	Date	Consideration	Adj	Days to Pchs	Cost	Value for Dep'n	Rate %	Dep'n		
Apple Centre	21/06/05	2,971	525									525	
Next by Telmac	24/12/09	1,550	872									218	654
		18,708	1,397									743	654

The accompanying notes form part of these financial statements.

**MUSICIANS UNION OF AUSTRALIA - ADELAIDE BRANCH**  
**Notes to the Accounts**  
**For the year ended 30 June 2012**

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**1. Summary of Significant Accounting Policies**

**a) Basis of Preparation of Financial Reports**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisation) Act 2009.

The financial report has been prepared in accordance with the following applicable Accounting Standards and Urgent Issues Group Consensus Views.

AASB 1031	Materiality
AASB 110	Events after the Balance Sheet date
AASB 108	Accounting Policies, changes in Accounting Estimates and Errors
AASB 114	Segment Reporting
AASB 136	Impairment of Assets

The financial report is prepared in accordance with the historical convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

**b) Income Tax**

The Union is exempt from income tax pursuant to the Income Tax Assessment Act. Accordingly, Australian Accounting Standard AASB 112 has not been applied and no provision for income tax has been included in the Accounts.

**c) Goods and Services Tax**

The Union is not registered for Goods and Services Tax.

**d) Non Current Assets**

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.

**e) Employee Entitlements**

Provision is made 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, salaries, annual and long service leave which will be settled after one year, have been measured at their nominal amount. Contributions made by the Union to employee superannuation funds are charged as expenses when incurred.

**f) Subscriptions**

Members Subscription income has been brought to account on a cash basis during the course of the year.

**g) Going Concern Basis of Accounting**

The financial report has been prepared on the basis that the Adelaide 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.

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**The accompanying notes form part of these financial statements.**



**MUSICIANS UNION OF AUSTRALIA - ADELAIDE BRANCH**  
**Notes to the Accounts**  
**For the year ended 30 June 2012**

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**2. Information to be Provided to Members or the General Manager of Fair Work Australia**

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

- (1) A member of The Musicians Union of Australia – Adelaide Branch, or the General Manager of Fair Work Australia, may apply 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) The Musicians Union of Australia – Adelaide Branch must comply with an application made under subsection (1).

**3. Accounting Estimates and Judgements**

Estimates and judgements 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

The Musician's Union of Australia – Adelaide Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. 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 Judgements in applying The Musicians Union of Australia – Adelaide Branch Accounting Principles

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

**4. Related Parties**

There have been no transactions between related parties.

**5. Financial Risk Management**

General objectives, policies and processes

The Adelaide Branch is exposed to risks that arise from its use of financial instruments. This note describes the Adelaide 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 Adelaide 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 Adelaide Branch's financial instruments consist mainly of deposits with banks and receivables.

Credit Risk

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

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.

Liquidity Risk

Liquidity risk is the risk that the Adelaide Branch may encounter difficulties raising funds to meet commitments associated with financial instruments. The Adelaide Branch is not significantly exposed to this risk; at 30 June 2012 it had \$1,144,048.00 of cash and cash equivalents to meet these obligations as the fall due. Financial liabilities at 30 June 2012 totalled \$20,497.00.

The Adelaide Branch manages liquidity risk by monitoring cash flows.

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**The accompanying notes form part of these financial statements.**

**MUSICIANS UNION OF AUSTRALIA - ADELAIDE BRANCH**  
**Notes to the Accounts**  
**For the year ended 30 June 2012**

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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 the changes in interest rates (interest rate risk) or other market factors (other price risk).

Interest Rate Risk

The Adelaide Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised as per the financials.

**6 Subsequent Events**

There are no subsequent events that have occurred or are likely to occur that require disclosure.

**7 Contingent Liabilities**

None to report.

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH  
Independent Audit Report  
For the year ended 30 June 2012

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**INDEPENDENT AUDIT REPORT**

To the members of the Musicians Union of Australia Adelaide Branch.

We have audited the general purpose financial report of Musicians Union of Australia Adelaide, Branch, which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in accumulated funds (losses) and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and branch committee of management's statement for the year then ended.

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

The branch committee of management and the branch secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

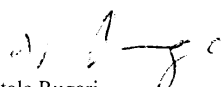
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.

*Auditor's Opinion*

In our opinion the general purpose financial report of Musicians Union of Australia Adelaide, Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

  
Natale Rugari  
Director/Partner  
Member of CPA, AUSTRALIA  
And Holder of Current Public Practice Certificate  
Registered Company Auditor  
17/116 Melbourne Street  
NORTH ADELAIDE SA 5006

12 November 2012

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The accompanying notes form part of these financial statements