



22 July 2015

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

By e-mail: musosa@bigpond.net.au

c.c. Mr Terry Noone, Federal Secretary

By e-mail: musiciansua@aol.com

Dear Mr Moody

**Musicians' Union of Australia, Adelaide Branch
Financial Report for the year ended 30 June 2014 - FR2014/236**

I acknowledge receipt of the amended financial report for the year ended 30 June 2014 for the Musicians' Union of Australia, Adelaide Branch (MUA-ADE). The amended financial report was lodged with the Fair Work Commission (FWC) on 21 April 2015.

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

Whilst the 2014 report has been filed the following matters should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report

Statement of Changes in Equity

The total equity 'Balance as at 30 June 2014' should read \$1,100,546 instead of \$1,110,220.

This discrepancy will need to be corrected during the preparation of the 2014-15 financial report.

All statements to be presented with equal prominence

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 11 requires all financial statements to be presented with equal prominence. The Balance Sheet and Statement of Changes in Equity are currently presented on the same page. This is not considered to meet the requirement of paragraph 11.

General purpose financial report to be prepared on accrual basis

Section 252 of the RO Act places obligations upon reporting units to keep financial records. Under section 252(4) an organisation may keep the financial records for its membership subscriptions on a cash basis.

This is distinct from the obligation under section 253 to *prepare* a General Purpose Financial Report (GPFR). Section 253 requires that ‘...a reporting unit must cause a General Purpose Financial Report to be *prepared*, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...’. Paragraph 27 of Australian Accounting Standard *AASB101 Presentation of Financial Statements*, states that ‘an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting’.

Note 1(g) to the financial statements states “Members Subscription income has been brought to account on a cash basis during the course of the year.”

Please ensure that membership subscriptions are reported on an accruals basis in the 2014-15 financial report.

Related party transactions

AASB 124 Related Party Disclosures paragraph 18 states that when an entity has had related party transactions during the reporting period it must disclose the nature of the related party relationship, as well as information about those transactions and outstanding balances including commitments.

Note 5 contains information in relation to related party transactions however it does not provide all the disclosure requirements as per *AASB 124* paragraph 18.

Activities under Reporting Guidelines not disclosed

Items 17 and 19 of the RG state that if the activities identified in items 16 and 18 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 16(c) - affiliation fees paid to each entity
- 18(b) - payable with another reporting unit

2. Certificate under s.245 of RO Act

It is noted that on 29 June 2015 the General Manager, Fair Work Commission issued a certificate under s.245 of the RO Act to give effect to the establishment of the MUA on an alternative basis. Based on this decision the MUA, for the purpose of compliance with Part 3 of Chapter 8 of the RO Act, will be a single reporting unit. This will have effect for the financial year ending 30 June 2016. Therefore, the MUA Adelaide Branch will still be required to lodge a financial return with the FWC for the reporting period ending 30 June 2015.

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) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely



Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

**MUSICIANS UNION OF AUSTRALIA
ADELAIDE BRANCH**

**Financial Statements
For the year ended 30 June 2014**

Ascensio Accountants
Suite 12, 116-120 Melbourne Street
NORTH ADELAIDE SA 5006

Phone: 08 8267 4800 Fax: 08 8239 0728
Email: nat@ascensio.com.au

**MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
ABN**

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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 30th June 2014.

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

Advice and assistance was provided in the preparation and lodgement of several small claims applications on behalf of members.

Assistance was provided to several members with the preparation and negotiation of contracts pertaining to independent contracts for musical performances, instrumental teaching services, licensing of copyright material, and partnership agreements.

Advice and assistance was provided to members regarding underpayment of wages and work related OH&S issues.

Assistance was provided to the Sydney Branch and Federal Office for the preparation of outstanding Financial Audit Reports.

Significant content was developed for an update of the Federation's website. The content is due to be published by the end of 2014.

All committee members and officers undertook Governance training in accordance with the Rules of the association.

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 254 (2)(c) of the *Fair Work (Registered Organisations) Act 2009*)

3. Superannuation Fund Trustee's

No officers or employees of the Adelaide Branch were trustees of a superannuation fund or directors of a company that were trustees of a superannuation fund during the financial year.

4. Membership of the Branch

There were 166 members of the Branch as at 30th June 2014

5. Employees of the Adelaide Branch

As at the 30th of June 2014 the Branch employed 1 part time employee

6. Adelaide Branch Committee of Management

The following persons were members of the Branch Committee of Management, during the year ended 30th June 2014.

President	Clarke	Douglas G	July 2013 – June 2014
Vice President	Lyle	John G	July 2013 – Feb 2014
Vice President	Fiddian	Ian	July 2013 – June 2014
Secretary/Treasurer	Moody	Samuel J	July 2013 – June 2014
Committee Member	Brow	Donald	July 2013 – April 2014
Committee Member	Turner	Alan	July 2013 – June 2014
Committee Member	Lang	Frank	July 2013 – June 2014
Committee Member	Pearse	David	July 2013 – June 2014

Committee Member	Levendis	Evniki	July 2013 – June 2014
Committee Member	John	Callisto	July 2013 – June 2014
Trustee	Guy	Robert W.	July 2013 – June 2014
Trustee	Spilsbury	Brett	July 2013 – June 2014
Trustee	Dave	Pearse	July 2013 – June 2014

7. Directors of Companies and Member's of Boards

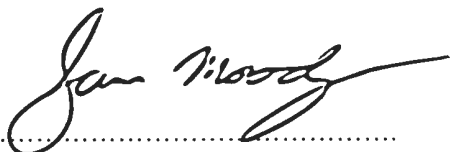
The Secretary, Sam Moody, is a voting member of the SA Unions Executive Committee by way of the Musicians' Union of Australia – Adelaide Branch's affiliation of SA Unions.

The Secretary, Sam Moody, is a member of the Semaphore Workers' Club Committee as a result of the Semaphore Workers' Club Association Rules, which state that a nominated representative from the Musicians' Union of Australia shall have the right to a seat on the committee.

There are no other instances whereby members of the Adelaide Branch Committee are Directors of Companies or Members of Boards as either a direct, or indirect consequence of being members of the Adelaide Branch Committee.

8. Significant Changes in Financial Affairs

A loan of \$12,000 was provided to the Sydney Branch of the Union. No other significant changes occurred in the financial affairs of the Adelaide Branch of the Union.



.....
SAM MOODY, BRANCH SECRETARY
 15th November 2014



**Musicians' Union of
Australia
Adelaide Branch**

U4 23A King William Rd
Unley SA 5061
ph: 08 8272 5013
email: musosa@bigpond.net.au

21 April 2015

Certificate of Secretary

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, including the amendments requested by Fair Work Australia (6th March 2015), for the Musicians' Union of Australia - Adelaide Branch for the period ended 30th June 2014 referred to in s. 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the amended full report was provided to members of the reporting unit, via email and as a hard copy posted to members without email on the 1st April 2015; and
- that the full report was presented to both a committee of management meeting on the 30th of March 2015 and a general meeting of the Adelaide Branch members on the 20th of April 2015 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Kind regards

Sam Moody
Secretary
Musicians' Union of Australia - Adelaide Branch
0412 933 865



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

Committee of Management Statement

In accordance with paragraph 253(2)(c) of the *Fair Work (Registered Organisations) Act 2009*, the Musicians' Union of Australia - Adelaide Branch Committee of Management makes the following declarations regarding the General Purpose Financial Report (GPFR):

That;

- 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 Adelaide Branch for the financial year ended 30th June 2014;
- d) there are reasonable grounds to believe that the 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 Adelaide Branch have been managed in accordance with the rules of the Musicians' Union of Australia; and
 - iii. the financial records of the Adelaide Branch have been kept and maintained in accordance with the *Fair Work (RO) Act*; and
 - iv. the financial records of the Adelaide Branch have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the Musicians' Union of Australia; and
 - v. where information has been sought in any request by a member of the Adelaide Branch or General Manager duly made under section 272 of the *Fair Work (RO) Act*, that information 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 *Fair Work (RO) Act*, there has been compliance
- f) the Adelaide Branch has not undertaken any recovery of wages activity as defined by the Reporting Guidelines of the *Fair Work (RO) Act*;

The preceding Committee of Management Statement was moved and carried unanimously at a meeting of the Adelaide Branch Committee on the 5th November 2014.

5/11/14

Doug Clarke

President

Musicians Union of Australia - Adelaide Branch

To the members of the Musicians Union of Australia Adelaide Branch

We have audited the accompanying financial report of MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH (the Branch), which comprises the Statement by Members of the Committee, the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Cash Flows, Statement of Changes In Equity, a summary of significant accounting policies and other explanatory notes for the financial year ended 30 June 2014.

Committee's Responsibility for the Financial Report

The Committee of the Branch is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 2009, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, management also states in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

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 whether the financial report is free from material misstatement.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion:

The financial report of MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH is in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 and the Australian Accounting Standards including:

- (i) giving a true and fair view of the Branch financial position as at 30 June 2014 and of its performance and its cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009.
- (iii) the use of the going concern basis of accounting in the preparation of the financial report is appropriate.



Natale Rugari
Member CPA Australia
Current Public Practice Certificate Holder
Registered Company Auditor - Reg No. 5527

North Adelaide, 12TH MARCH 2015

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
Statement of Comprehensive Income
For the year ended 30 June 2014

	2014 \$	2013 \$
Income		
Interest received	37,551	40,390
Sundry income	1,200	0
Subscriptions	5,820	6,596
Total income	44,571	46,986
Expenses		
Accountancy & Audit fees	1,100	1,100
Advertising and promotion	1,076	1,131
Bank Fees And Charges	43	362
Depreciation	0	696
Federal dues	582	660
Holiday pay (provisions)	2,400	(4,935)
Insurance	325	299
Legal fees	380	403
Light & power	1,818	2,102
Long Service Leave (provision)	780	780
Meetings & conference expenses	163	0
Postage	120	244
Printing & stationery	266	0
Rates & land taxes	1,173	1,398
Rent	7,602	7,673
Repairs & maintenance	524	552
S A Union	2,431	1,414
Salaries - secretary	31,200	39,755
Secretarial & office expenses	32	448
Sundry expenses	0	(755)
Superannuation	2,882	3,577
Telephone	1,939	2,321
Workcover	386	606
Total expenses	57,223	59,831
Profit (loss) from ordinary activities	(12,652)	(12,845)
Total changes in equity of the Branch	(12,652)	(12,845)
Opening retained profits	1,083,360	1,093,055
Net profit (loss) attributable to the Branch	(12,652)	(12,845)
Closing retained profits	1,070,708	1,080,210

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Detailed Balance Sheet as at 30 June 2014

	2014	2013
	\$	\$
<hr/>		
Current Assets		
Cash Assets		
Cash At Bank Commonwealth	209	12,852
CBA net account	1,547	20
Musicians' Mortuary Benefit Trust A/C	29,493	29,665
Cash on hand	200	200
	<hr/>	<hr/>
	31,449	42,737
	<hr/>	<hr/>
Other		
ING Deposit Account	44,211	30,142
ING Term Deposit	0	545,000
CBA Term Deposit	510,000	0
ING Term Deposit	500,000	500,000
Federal Expenses Recoupable	16,510	6,760
Sydney Branch Expenses Recoupable	15,250	0
Launceston Branch Expenses Recoupable	(203)	0
	<hr/>	<hr/>
	1,085,768	1,081,902
	<hr/>	<hr/>
Total Current Assets	1,117,217	1,124,639
	<hr/>	<hr/>
Non-Current Assets		
Property, Plant and Equipment		
Office & Furniture Equipment	55,399	55,399
Less: Accumulated amortisation	(55,399)	(55,399)
	<hr/>	<hr/>
	0	0
	<hr/>	<hr/>
Total Non-Current Assets	0	0
	<hr/>	<hr/>
Total Assets	1,117,217	1,124,639
	<hr/>	<hr/>

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Detailed Balance Sheet as at 30 June 2014

	2014	2013
	\$	\$
Current Liabilities		
Payables		
Unsecured:		
Trade creditors current	4,131	5,059
	<u>4,131</u>	<u>5,059</u>
Provisions		
Annual Leave (provisions)	2,400	0
Long Service Leave (provision)	10,140	9,360
	<u>12,540</u>	<u>9,360</u>
Total Current Liabilities	16,671	14,419
Total Liabilities	16,671	14,419
Net Assets	1,100,546	1,110,220

Members' Funds

Reserves

Musicians' Mortuary Benefit Fund	29,493	29,665
Non Union Trust Fund	345	345
Accumulated surplus (deficit)	1,070,708	1,080,210
Total Members' Funds	1,100,546	1,110,220

Statement of Changes in Equity

	Musician's Mortuary Benefit Fund	Non-Union Trust Fund	Accumulated Surplus	Total Equity
Balance as at 1 July 2012	\$30,807	\$345	\$1,093,055	\$1,124,207
Profit for the period	(\$1,142)	\$0	(\$12,845)	(\$13,987)
Balance as at 30 June 2013	\$29,665	\$345	\$1,080,210	\$1,110,220
Balance as at 1 July 2013	\$29,665	\$345	\$1,080,210	\$1,110,220
Prior Year Adjustments*			\$3,150	\$3,150
Profit for the period	(\$172)	\$0	(\$12,652)	(\$12,824)
Balance as at 30 June 2014	\$29,493	\$345	\$1,070,708	\$1,110,220

* Refer to Note 3 in the Notes to the Financial Statements

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Statement of Cash Flows

For the year ended 30 June 2014

	2014	2013
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	7,020	5,454
Payments to Suppliers and employees	(54,971)	(65,213)
Interest received	37,551	40,390
Net cash provided by (used in) operating activities (note 2)	<u>(10,400)</u>	<u>(19,369)</u>
Cash Flow From Investing Activities		
Payment for:		
Other Assets	(21,648)	5
Payments for property, plant and equipment	0	(40)
Net cash provided by (used in) investing activities	<u>(21,648)</u>	<u>(35)</u>
Net increase (decrease) in cash held	(32,047)	(19,404)
Cash at the beginning of the year	1,117,707	1,137,283
Cash at the end of the year (note 1)	<u>1,085,660</u>	<u>1,117,879</u>

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Statement of Cash Flows

For the year ended 30 June 2014

2014

2013

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	209	12,852
CBA net account	1,547	20
Musicians' Mortuary Benefit Trust A/C	29,493	29,665
Cash on hand	200	200
ING Deposit Account	44,211	30,142
ING Term Deposit	0	545,000
CBA Term Deposit	510,000	0
ING Term Deposit	500,000	500,000
	<u>1,085,660</u>	<u>1,117,879</u>

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

Operating profit after income tax	(12,652)	(12,845)
Depreciation	0	696
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	0	(1,142)
Increase (decrease) in trade creditors and accruals	(928)	(1,923)
Increase (decrease) in employee entitlements	3,180	(4,155)
Net cash provided by (used in) operating activities	<u>(10,400)</u>	<u>(19,369)</u>

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Notes to the Financial Statements

For the year ended 30 June 2014

2014

2013

Note 1: Statement of Significant Accounting Policies

The financial report covers MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH ("the Branch"), a not-for-profit entity.

(a) Basis of Preparation

The financial report is a Tier 1 general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the requirements of the Fair Work (Registered Organisation) Act 2009.

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

(b) New Australian Accounting Standards

- i) Adoption of New Australian Accounting Standard Requirements
No accounting standard has been adopted earlier than the application date stated in the standard.
- ii) Future Australian Accounting Standards Requirements
There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.

(c) 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.

- i) Critical Accounting Estimates and Assumptions
The 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.
- ii) Critical Judgements in applying the Branch's Accounting Principles
There are no critical judgements that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(d) Income tax

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

(e) Property, Plant and Equipment

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

- i) Plant and equipment
The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.
- ii) Depreciation
The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Branch commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Notes to the Financial Statements

For the year ended 30 June 2014

2014

2013

(f) Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by the Branch to an employee superannuation fund and are charged as expenses when incurred.

(g) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

(h) Comparative Figures

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

(g) Revenue

Members Subscription income has been brought to account on a cash basis during the course of the year. Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised as it is received. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Note 2: Auditors' Remuneration

	2014	2013
Auditor's remuneration for: Audit Services*		
	1,100	1,100
Other services	0	0
	<u>1,100</u>	<u>1,100</u>

Note 3: Prior Year Adjustments

The opening balance for Retained Profits has been adjusted as a result of bringing to account, an amount of \$3,150 owed by the Musician's Union of Australia Sydney Branch. This amount is in relation to expenses paid by the Adelaide Branch on behalf of the Sydney Branch between 2006 and 2013.

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
Notes to the Financial Statements
For the year ended 30 June 2014

2014

2013

Note 4: Funds Raised by Levies or Contributions

	2014	2013
Non-Union Trust Fund		
Trust Fund balance at beginning of year	345	345
	-----	-----
Trust Fund balance at end of Year	345	345
	=====	=====

	2014	2013
Musicians' Mortuary Benefit Fund		
Income		
Interest received	828	1,387
Expense		
Payments	1,000	1,400
	-----	-----
Surplus/(Deficit) for year	(172)	(387)
	-----	-----
Benefit Fund balance at beginning of year	29,665	30,807
Prior year adjustments		(755)
	-----	-----
Benefit Fund balance at end of year	29,493	29,665
	=====	=====

Note 5: Related Party Disclosures

During the reporting period, the Branch made transactions with/on behalf of the following related entities: Musician's Union of Australia Federal Office, Musician's Union of Australia Sydney Branch and Musician's Union of Australia Launceston Branch.

None of these transactions had any effect on the operating result of the Branch, except for Federal Dues as disclosed in the statement of comprehensive income. The net effect of all other transactions is disclosed by entity in the "other assets" on Balance Sheet.

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
Notes to the Financial Statements
For the year ended 30 June 2014

2014

2013

Note 6: Disclosures for the purpose of Section 253 of the RO Act

Paragraph 10: The Branch's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit as defined under the Fair Work (Registered Organisations) Act 2009.

Paragraph 11: The Branch pays sustentation fees to the Federal Branch of the Musicians' Union of Australia in accordance with the terms and conditions defined in the Rules of that organisation as registered by the Fair Work (Registered Organisations) Act 2009.

The Branch has also agreed to provide support to another reporting unit, as detailed below:

Name of Reporting Unit

Terms & Conditions

Musicians' Union of Australia (Sydney Branch)

- Adelaide Branch approval required before entering any financial commitment
- Adelaide Branch not liable for any expenses incurred prior to July 2013
- Adelaide Branch 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

Paragraph 12: No asset or a liability was acquired during the financial year as a result of:

- a) an amalgamation under Part 2 of Chapter 3, of the ROAct in which the organisation (of which the reporting unit form part) was the amalgamated organisation ; or
- b) a restructure of the organisation of the Branch; or
- c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an Organisation under subsection 245(1).

Paragraph 13: No assets or liabilities were acquired by the Branch during the year as a part of a business combination.

Statement of Comprehensive Income

Revenue

Paragraph 15 The following items were not received during the year:

- b) Capitation fees
- c) Compulsory levies raised from the members or appeals for voluntary contribution (including whip-arounds) for the furtherance of a particular purpose.
- d) Donations or grants
- e) Financial support from another reporting unit

Expenses

Paragraph 17: The following items were not incurred during the year:

- a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions;
- d) compulsory levies imposed on the reporting unit;
- e) grants or donations;
- g) employee expenses related to employees of the reporting unit (other than holders of offices) including wages, superannuation, leave, separation/redundancies or other employee expenses;
- h) fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
Notes to the Financial Statements
For the year ended 30 June 2014

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k) penalties imposed on the organisation under the RO Act with respect to conduct of the reporting unit

Statement of Financial Position

Paragraph 19 Payables and/or receivables resulting from transactions with related reporting units are disclosed in the Detailed Balance Sheet.

Liabilities

Paragraph 21: No amounts are payable in respect of:

- a) employers as consideration for the employers making payroll deductions of membership subscriptions;
- b) legal costs and other expenses related to litigation or other legal matters;
- d) employee provisions in respect of employees (other than holders of offices) of the reporting unit.

Statement of Changes in Equity

Paragraph 23: No amounts are included in equity in respect of:

- a) compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- b) investment of moneys raised compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- c) a fund or account, the operation of which is required by the rules of the organisation including the rules of a Branch of the organisation;
- d) transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the reporting unit.
- e) the general fund.

Statement of Cash Flows

Paragraph 25: The following cash inflows/outflows from/to related reporting units occurred during the reporting period:

<u>Reporting Unit</u>	<u>Cash Inflow</u>	<u>Cash Outflow</u>
MUA Sydney Branch		\$12,100
MUA Launceston Branch	\$203	
MUA Federal Office		\$9,750

Recovery of Wages Activity financial report

No recovery of wages activity has occurred in the reporting period.

Additional Reporting Requirements

Paragraph 34: The Branch administers its own financial affairs

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Notes to the Financial Statements

For the year ended 30 June 2014

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Note 7: Information to be provided to members or General Manager

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

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

Note 8: Financial Risk Management

This note presents information about the Branch exposure to each of the risks identified below; it's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report. The Council has overall responsibility for risk management and oversight of the Branch's investments.

Management policy has been established to identify and analyse the risk faced by the Branch, to set appropriate risk limits and controls. and to monitor risks and adherence to limits.

The Branch has exposure to the following risks from use of financial instruments:

Credit risk

Liquidity risk

Market Risk

Credit Risk

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 Branch has no external, unrelated debtors. The only receivables are amounts owed by associated reporting units in relation to expenses paid on their behalf. No impairment loss has ever been recognised.

Liquidity Risk

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments.

The Branch is not significantly exposed to this risk; as at 30 June 2014 it had \$1,087,724 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 June 2014 totalled \$16,671

The Branch manages liquidity risk by monitoring cash flows.

Market Risk

Market risk is the risk that changes in interest rates will affect the Branch's income or the value of financial instruments

- Interest Rate Risk

The Branch adopts a policy of ensuring that all investments are for fixed term with a fixed interest rate for that chosen term.



6 March 2015

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

via e-mail: musosa@bigpond.net.au

Dear Mr Moody

**Musicians' Union of Australia, Adelaide Branch
Financial Report for the year ended 30 June 2014 - FR2014/236**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Musicians' Union of Australia, Adelaide Branch (MUA-ADE). The financial report was lodged with the Fair Work Commission (FWC) on 2 January 2015.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The Designated Officer's Certificate, General Purpose Financial Report (GPFR) and Auditor's Statement will require amendments. The amended report will need to be presented to a Committee of Management meeting, republished on the MUA-ADE website and lodged with FWC.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 4th edition of the Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

To assist with the preparation of financial reports organisations should consult the template '2013-14 Model Financial Statements' which is available from the FWC website.

1. Designated Officer's Certificate

References to outdated legislation

It has been noted that within the Designated Officer's Certificate that there are two references to old legislation. The MUA-ADE is required to amend the relevant references to the current legislation, that is, the *Fair Work (Registered Organisations) Act 2009*.

2. General Purpose Financial Report

Statement of Changes in Equity

Subsection 253(2) of the RO Act requires a GPFR to be prepared in accordance with Australian Accounting Standards and the Reporting Guidelines. Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 10 specifies the requirements for a complete set of financial statements including a 'Statement of Changes in Equity'. A 'Statement of Changes in Equity' was not included in the GPFR presented to FWC.

The GPFR should be updated to include a 'Statement of Changes in Equity'.

Accounting judgments and estimates

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 122 requires that the notes to the financial statements include a discussion on the significant accounting judgments and estimates applied.

No such discussion has been included in the Notes. Please amend accordingly.

New and Future Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraphs 14 and 28 require that the entity disclose:

- Australian Accounting Standards adopted during the period; and
- Australian Accounting Standards issued but not yet effective with an assessment of the future impact of the standard on the entity.

This information has not been provided.

Revenue recognition

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue.

The accounting policy for member subscriptions for MUA-ADE has not been disclosed.

Related party transactions

The report does not disclose any related party transactions. Related party transactions are required to be disclosed under Australian Accounting Standard *AASB124 Related Party Disclosures* paragraph 18.

While it is possible that the organisation did not, during the 2013-14 financial year, transact with related parties, this is rare for a reporting unit. The notes to the financial statements are required to be updated to disclose related party transactions or a specific entry stating that no transaction with related parties has occurred during the reporting period.

Activities under Reporting Guidelines not disclosed

Items 17 and 19 of the RG state that if the activities identified in items 16 and 18 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 16(c) - affiliation fees paid to each entity
- 18(b) - payable with another reporting unit

3. Auditor's Statement

Should be addressed to members

The Auditor's Statement was not addressed to the members of the reporting unit. Item 22 of ASA700 states "The auditor's report shall be addressed as required by the circumstances of the engagement." Item A16 of ASA700 states "Law or regulation often specifies to whom the auditor's report is to be addressed in that particular jurisdiction. The auditor's report is normally addressed to those for whom the report is prepared...".

In this instance the report is prepared for the members of the reporting unit. Accordingly, the Auditor's statement is required to be addressed to the 'Members of the Musicians Union of Australia, Adelaide Branch'.

Could you arrange for the auditor to amend the Auditor's Statement so it is addressed to the members of the MUA-ADE and reissue the report to the Members and FWC.

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) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
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 [REDACTED]
email musosa@bigpond.net.au

30 December 2014

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 as an attachment to an email to members, who have supplied the Union with an email address, on the 1st of December 2014. For those members who have not provided an email contact, the full report was posted to them on the 2nd of December 2014; and
- the full report was presented and accepted at a meeting of the Committee of Management on the 10th of December 2014 in accordance with (s266).

Yours Faithfully

Sam Moody
Secretary
Musicians Union of Australia - Adelaide Branch

Dear member

Please find attached, a copy of the audit report for the financial year ended 30 June 2014.

If you have any questions please feel welcome to ring me on [REDACTED] or email musosa@bigpond.net.au

The annual general meeting of the union will be held in February 2015. The decision to move the meeting has been taken to avoid the busy Christmas period. I will notify you of the date, time and location of the meeting well in advance of the meeting.

A reminder that nominations for the election of all officers and committee of management positions of the Adelaide Branch close this Friday the 5th of December at 12 noon. If you are interested in nominating for any of the positions please do not hesitate to contact me.



MUA Adelaide Branch
2014 Audit.pdf

Kind regards
Sam Moody
Secretary
Musicians' Union Adelaide

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**MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
ABN**

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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 30th June 2014.

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

Advice and assistance was provided in the preparation and lodgement of several small claims applications on behalf of members.

Assistance was provided to several members with the preparation and negotiation of contracts pertaining to independent contracts for musical performances, instrumental teaching services, licensing of copyright material, and partnership agreements.

Advice and assistance was provided to members regarding underpayment of wages and work related OH&S issues.

Assistance was provided to the Sydney Branch and Federal Office for the preparation of outstanding Financial Audit Reports.

Significant content was developed for an update of the Federation's website. The content is due to be published by the end of 2014.

All committee members and officers undertook Governance training in accordance with the Rules of the association.

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 254 (2)(c) of the *Fair Work (Registered Organisations) Act 2009*)

3. Superannuation Fund Trustee's

No officers or employees of the Adelaide Branch were trustees of a superannuation fund or directors of a company that were trustees of a superannuation fund during the financial year.

4. Membership of the Branch

There were 166 members of the Branch as at 30th June 2014

5. Employees of the Adelaide Branch

As at the 30th of June 2014 the Branch employed 1 part time employee

6. Adelaide Branch Committee of Management

The following persons were members of the Branch Committee of Management, during the year ended 30th June 2014.

President	Clarke	Douglas G	July 2013 – June 2014
Vice President	Lyle	John G	July 2013 – Feb 2014
Vice President	Fiddian	Ian	July 2013 – June 2014
Secretary/Treasurer	Moody	Samuel J	July 2013 – June 2014
Committee Member	Brow	Donald	July 2013 – April 2014
Committee Member	Turner	Alan	July 2013 – June 2014
Committee Member	Lang	Frank	July 2013 – June 2014
Committee Member	Pearse	David	July 2013 – June 2014

Committee Member	Levendis	Evniki	July 2013 – June 2014
Committee Member	John	Callisto	July 2013 – June 2014
Trustee	Guy	Robert W.	July 2013 – June 2014
Trustee	Spilsbury	Brett	July 2013 – June 2014
Trustee	Dave	Pearse	July 2013 – June 2014

7. Directors of Companies and Member's of Boards

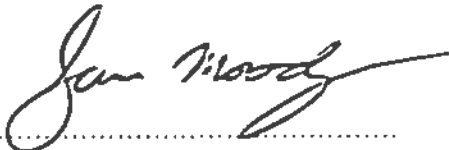
The Secretary, Sam Moody, is a voting member of the SA Unions Executive Committee by way of the Musicians' Union of Australia – Adelaide Branch's affiliation of SA Unions.

The Secretary, Sam Moody, is a member of the Semaphore Workers' Club Committee as a result of the Semaphore Workers' Club Association Rules, which state that a nominated representative from the Musicians' Union of Australia shall have the right to a seat on the committee.

There are no other instances whereby members of the Adelaide Branch Committee are Directors of Companies or Members of Boards as either a direct, or indirect consequence of being members of the Adelaide Branch Committee.

8. Significant Changes in Financial Affairs

A loan of \$12,000 was provided to the Sydney Branch of the Union. No other significant changes occurred in the financial affairs of the Adelaide Branch of the Union.



.....
SAM MOODY, BRANCH SECRETARY
 15th November 2014



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


Committee of Management Statement

In accordance with paragraph 253(2)(c) of the *Fair Work (Registered Organisations) Act 2009*, the Musicians' Union of Australia - Adelaide Branch Committee of Management makes the following declarations regarding the General Purpose Financial Report (GPFR):

That:

- 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 Adelaide Branch for the financial year ended 30th June 2014;
- d) there are reasonable grounds to believe that the 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 Adelaide Branch have been managed in accordance with the rules of the Musicians' Union of Australia; and
 - iii. the financial records of the Adelaide Branch have been kept and maintained in accordance with the *Fair Work (RO) Act*; and
 - iv. the financial records of the Adelaide Branch have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the Musicians' Union of Australia; and
 - v. where information has been sought in any request by a member of the Adelaide Branch or General Manager duly made under section 272 of the *Fair Work (RO) Act*, that information 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 *Fair Work (RO) Act*, there has been compliance
- f) the Adelaide Branch has not undertaken any recovery of wages activity as defined by the Reporting Guidelines of the *Fair Work (RO) Act*.

The preceding Committee of Management Statement was moved and carried unanimously at a meeting of the Adelaide Branch Committee on the 5th November 2014.

 5.11.14

Doug Clerke

President

Musicians Union of Australia - Adelaide Branch

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
Statement of Comprehensive Income
For the year ended 30 June 2014

	2014 \$	2013 \$
Income		
Interest received	37,551	40,390
Sundry income	1,200	0
Subscriptions	5,820	6,596
Total income	44,571	46,986
Expenses		
Accountancy & Audit fees	1,100	1,100
Advertising and promotion	1,076	1,131
Bank Fees And Charges	43	362
Depreciation	0	696
Federal dues	582	660
Holiday pay (provisions)	2,400	(4,935)
Insurance	325	299
Legal fees	380	403
Light & power	1,818	2,102
Long Service Leave (provision)	780	780
Meetings & conference expenses	163	0
Postage	120	244
Printing & stationery	266	0
Rates & land taxes	1,173	1,398
Rent	7,602	7,673
Repairs & maintenance	524	552
S A Union	2,431	1,414
Salaries - secretary	31,200	39,755
Secretarial & office expenses	32	448
Sundry expenses	0	(755)
Superannuation	2,882	3,577
Telephone	1,939	2,321
Workcover	386	606
Total expenses	57,223	59,831
Profit (loss) from ordinary activities	(12,652)	(12,845)
Total changes in equity of the association	(12,652)	(12,845)
Opening retained profits	1,083,360	1,093,055
Net profit (loss) attributable to the association	(12,652)	(12,845)
Closing retained profits	1,070,708	1,080,210

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Detailed Balance Sheet as at 30 June 2014

	2014	2013
	\$	\$
<hr/>		
Current Assets		
Cash Assets		
Cash At Bank Commonwealth	209	12,852
CBA net account	1,547	20
Musicians' Mortuary Benefit Trust A/C	29,493	29,665
Cash on hand	200	200
	<hr/>	<hr/>
	31,449	42,737
Other		
ING Deposit Account	44,211	30,142
ING Term Deposit	0	545,000
CBA Term Deposit	510,000	0
ING Term Deposit	500,000	500,000
Federal Expenses Recoupable	16,510	6,760
Sydney Branch Expenses Recoupable	15,250	0
Tasmania Branch Expenses Recoupable	(203)	0
	<hr/>	<hr/>
	1,085,768	1,081,902
Total Current Assets	<hr/>	<hr/>
	1,117,217	1,124,639
Non-Current Assets		
Property, Plant and Equipment		
Office & Furniture Equipment	55,399	55,399
Less: Accumulated amortisation	(55,399)	(55,399)
	<hr/>	<hr/>
	0	0
Total Non-Current Assets	<hr/>	<hr/>
	0	0
Total Assets	<hr/>	<hr/>
	1,117,217	1,124,639

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
Detailed Balance Sheet as at 30 June 2014

	2014 \$	2013 \$
<hr/>		
Current Liabilities		
Payables		
Unsecured:		
Trade creditors current	4,131	5,059
	4,131	5,059
Provisions		
Annual Leave (provisions)	2,400	0
Long Service Leave (provision)	10,140	9,360
	12,540	9,360
Total Current Liabilities	16,671	14,419
Total Liabilities	16,671	14,419
Net Assets	1,100,546	1,110,220
Members' Funds		
Reserves		
Musicians' Mortuary Benefit Fund	29,493	29,665
Non Union Trust Fund	345	345
Accumulated surplus (deficit)	1,070,708	1,080,210
Total Members' Funds	1,100,546	1,110,220

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
Statement of Cash Flows
For the year ended 30 June 2014

	2014	2013
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	7,020	5,454
Payments to Suppliers and employees	(54,971)	(65,213)
Interest received	37,551	40,390
Net cash provided by (used in) operating activities (note 2)	(10,400)	(19,369)
Cash Flow From Investing Activities		
Payment for:		
OtherAssets	(21,648)	5
Payments for property, plant and equipment	0	(40)
Net cash provided by (used in) investing activities	(21,648)	(35)
Net increase (decrease) in cash held	(32,047)	(19,404)
Cash at the beginning of the year	1,117,707	1,137,283
Cash at the end of the year (note 1)	1,085,660	1,117,879

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 2014

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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	209	12,852
CBA net account	1,547	20
Musicians' Mortuary Benefit Trust A/C	29,493	29,665
Cash on hand	200	200
ING Deposit Account	44,211	30,142
ING Term Deposit	0	545,000
CBA Term Deposit	510,000	0
ING Term Deposit	500,000	500,000
	<u>1,085,660</u>	<u>1,117,879</u>

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

Operating profit after income tax	(12,652)	(12,845)
Depreciation	0	698
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	0	(1,142)
Increase (decrease) in trade creditors and accruals	(928)	(1,923)
Increase (decrease) in employee entitlements	3,180	(4,155)
Net cash provided by (used in) operating activities	<u>(10,400)</u>	<u>(19,369)</u>

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Notes to the Financial Statements

For the year ended 30 June 2014

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Note 1: Statement of Significant Accounting Policies

The financial report covers MUSICIANS UNION OF AUSTRALIA SYDNEY BRANCH ("the Branch"), a not-for-profit entity. The Branch is an association incorporated in New South Wales under the Associations Incorporation Act 2009.

(a) Basis of Preparation

The financial report is a Tier 1 general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the requirements of the Fair Work (Registered Organisation) Act 2009.

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

(b) Income tax

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

(c) Property, Plant and Equipment

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

i) Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

ii) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Branch commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(d) Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by the Branch to an employee superannuation fund and are charged as expenses when incurred.

The Branch operates an ownership-based remuneration scheme, details of which are provided in the Notes to Accounts. Profits or losses incurred by employees, being the difference between the market value and the par value of the shares acquired, are not recorded as remuneration paid to employees.

(e) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
Notes to the Financial Statements
For the year ended 30 June 2014

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(f) Comparative Figures

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

(g) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised as it is received. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Note 2: Auditors' Remuneration

	2014	2013
Auditor's remuneration for: Audit Services*	1,100	1,100
Other services	0	0
	1,100	1,100

Note 3: Prior Year Adjustments

The opening balance for Retained Profits has been adjusted as a result of bringing to account, an amount of \$3,150 owed by the Musician's Union of Australia Sydney Branch. This amount is in relation to expenses paid by the Adelaide Branch on behalf of the Sydney Branch between 2006 and 2013.

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH
Notes to the Financial Statements
For the year ended 30 June 2014

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Note 4: Funds Raised by Levies or Contributions

	2014	2013
Non-Union Trust Fund		
Trust Fund balance at beginning of year	345	345
	-----	-----
Trust Fund balance at end of Year	345	345
	=====	=====
 Musicians' Mortuary Benefit Fund		
Income		
Interest received	828	1,387
Expense		
Payments	1,000	1,400
	-----	-----
Surplus/(Deficit) for year	(172)	(387)
	-----	-----
Benefit Fund balance at beginning of year	29,665	30,807
Prior year adjustments		(755)
	-----	-----
Benefit Fund balance at end of year	29,493	29,665
	=====	=====

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Notes to the Financial Statements

For the year ended 30 June 2014

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Note 5: Disclosures for the purpose of Section 253 of the RO Act

Paragraph 10: The Branch's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit as defined under the Fair Work (Registered Organisations) Act 2009.

Paragraph 11: The Branch pays sustentation fees to the Federal Branch of the Musicians' Union of Australia in accordance with the terms and conditions defined in the Rules of that organisation as registered by the Fair Work (Registered Organisations) Act 2009.

The Branch has also agreed to provide support to another reporting unit, as detailed below:

<u>Name of Reporting Unit</u>	<u>Terms & Conditions</u>
Musicians' Union of Australia (Sydney Branch)	<ul style="list-style-type: none">• Adelaide Branch approval required before entering any financial commitment• Adelaide Branch not liable for any expenses incurred prior to July 2013• Adelaide Branch 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

Paragraph 12: No asset or a liability was acquired during the financial year as a result of:
a) an amalgamation under Part 2 of Chapter 3, of the ROAct in which the organisation (of which the reporting unit form part) was the amalgamated organisation ; or
b) a restructure of the organisation of the Branch; or
c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an Organisation under subsection 245(1).

Paragraph 13: No assets or liabilities were acquired by the Branch during the year as a part of a business combination.

Statement of Comprehensive Income

Revenue

Paragraph 15 The following items were not received during the year:

- b) Capitation fees
- c) Compulsory levies raised from the members or appeals for voluntary contribution (including whip-arounds) for the furtherance of a particular purpose.
- d) Donations or grants
- e) Financial support from another reporting unit

Expenses

Paragraph 17: The following items were not incurred during the year:

- a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions;
- d) compulsory levies imposed on the reporting unit;
- e) grants or donations;
- g) employee expenses related to employees of the reporting unit (other than holders of offices) including wages, superannuation, leave, separation/redundancies or other employee expenses;
- h) fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Notes to the Financial Statements

For the year ended 30 June 2014

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k) penalties imposed on the organisation under the RO Act with respect to conduct of the reporting unit

Statement of Financial Position

Paragraph 19 Payables and/or receivables resulting from transactions with related reporting units are disclosed in the Detailed Balance Sheet.

Liabilities

Paragraph 21: No amounts are payable in respect of:

- a) employers as consideration for the employers making payroll deductions of membership subscriptions;
- b) legal costs and other expenses related to litigation or other legal matters;
- d) employee provisions in respect of employees (other than holders of offices) of the reporting unit.

Statement of Changes in Equity

Paragraph 23: No amounts are included in equity in respect of:

- a) compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- b) investment of moneys raised compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- c) a fund or account, the operation of which is required by the rules of the organisation including the rules of a Branch of the organisation;
- d) transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the reporting unit.
- e) the general fund.

Statement of Cash Flows

Paragraph 25: The following cash inflows/outflows from/to related reporting units occurred during the reporting period:

<u>Reporting Unit</u>	<u>Cash Inflow</u>	<u>Cash Outflow</u>
MUA Sydney Branch		\$12,100
MUA Tasmania Branch	\$203	
MUA Federal Office		\$9,750

Recovery of Wages Activity financial report

No recovery of wages activity has occurred in the reporting period.

Additional Reporting Requirements

Paragraph 34: The Branch administers its own financial affairs

MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH

Notes to the Financial Statements

For the year ended 30 June 2014

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Note 6: Information to be provided to members or General Manager

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

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

Note 7: Financial Risk Management

This note presents information about the Branch exposure to each of the above risks, its objectives, Policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report. The Council has overall responsibility for risk management and oversight of the Branch's investments.

Management policy has been established to identify and analyse the risk faced by the Branch, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Branch has exposure to the following risks from use of financial instruments:

Credit risk
Liquidity risk
Market Risk

Credit Risk

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 Branch has no external, unrelated debtors. The only receivables are amounts owed by associated reporting units in relation to expenses paid on their behalf. No impairment loss has ever been recognised.

Liquidity Risk

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments.

The Branch is not significantly exposed to this risk; as at 30 June 2014 it had \$1,087,724 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 June 2014 totalled \$16,671

The Branch manages liquidity risk by monitoring cash flows.

Market Risk

Market risk is the risk that changes in interest rates will affect the Branch's income or the value of financial instruments

- Interest Rate Risk

The Branch adopts a policy of ensuring that all investments are for fixed term with a fixed interest rate for that chosen term.

We have audited the accompanying financial report of MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH (the Branch), which comprises the Statement by Members of the Committee, the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Cash Flows, Statement of Changes In Equity, a summary of significant accounting policies and other explanatory notes for the financial year ended 30 June 2014.

Committee's Responsibility for the Financial Report

The Committee of the Branch is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 2009, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, management also states in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

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 whether the financial report is free from material misstatement.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion:

- The financial report of MUSICIANS UNION OF AUSTRALIA ADELAIDE BRANCH is in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 and the Australian Accounting Standards including:
- (i) giving a true and fair view of the Branch financial position as at 30 June 2014 and of its performance and its cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009
 - (iii) the use of the going concern basis of accounting in the preparation of the financial report is appropriate.


Natale Rugari
Member CPA Australia
Current Public Practice Certificate Holder
Registered Company Auditor - Reg No. 5527

North Adelaide, 28 November 2014