



FAIR WORK
COMMISSION

22 May 2015

Mr Terry Noone
Secretary, Melbourne Branch
Musicians' Union of Australia

Sent by email: musiciansua@gmail.com

Dear Mr Noone

RE: Lodgement of Financial accounts and statements - Musicians' Union of Australia, Melbourne Branch - for year ending 30 June 2012 (FR2012/395)

I acknowledge receipt of the financial report of the Musicians' Union of Australia, Melbourne Branch for the year ending 30 June 2012. The documents were lodged with the Fair Work Commission on 16 May 2015. The report has been filed.

The report was assessed against the 2nd edition of the Reporting Guidelines that applied in 2011 and the *Fair Work (Registered Organisations) Act 2009* ('the RO Act').

You are not required to take any further action in respect of the report lodged.

Concluding remarks

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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

Yours sincerely,

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

**MUSICIANS UNION OF AUSTRALIA
MELBOURNE BRANCH
ABN 38 106 892 989**

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

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

Contents

Secretary's Certificate

Committee of Management Statement

Operating Report

Income and Expenditure Statement

Detailed Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Independent Auditor's Report to the Members

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Secretary's Certificate

For the year ended 30 June 2012

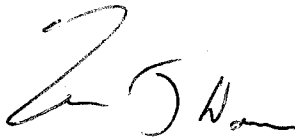
Secretary's Certificate

s.268 Fair Work (Registered Organisations) Act 2009

I, Terry Noone, being Secretary of the Musician's Union of Australia Melbourne Branch certify:

- (i) That the documents attached are copies of the full report referred to in s.268 Fair Work (Registered Organisations) Act 2009, and
- (ii) That the full report was provided to the members of the Musician's Union of Australia Melbourne Branch on 15 May 2015
- (iii) That the full report was presented to a meeting of the committee of management on 16 May 2015 in accordance with s.266 Fair Work (Registered Organisations) Act 2009

Signature:



Title: Secretary

Date: 16/5/15

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989
Committee of Management Statement
For the year ended 30 June 2012

On 2 May 2015 the Committee of Management of the Musician's Union of Australia Melbourne Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th 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 General Manager of the Fair Work Commission;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and . .
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) no information has had to be provided to a member of the reporting unit or the General Manager as a result of a request by a member or General Manager duly made under section 272 of the RO Act because no such request was made
 - (vi) there has been no order for inspection of financial records by the Fair Work Commission under section 273 of the RO Act.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period:

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee

Signed:



Title of Office Held: Branch Secretary

Date: 2/5/15

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Committee's Operating Report

For the year ended 30 June 2012

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009, your committee members have caused the following operating report of the MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH to be prepared for the financial year ended 30 June 2012.

Committee Members

The names of committee members at the date of this report are:

Gavan Anderson
Ed Bates
Martin Zakharov
Terry Noone
Alan Richards
David James
Peter Whitford
Stephen Williams

Principal Activities

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

Operating Result

The deficit from ordinary activities amounted to

Year ended	30 June 2012	30 June 2011
	(\$97,545)	(\$61,909)

Significant Changes

There were no significant changes in the financial affairs of the Branch during the financial year.

Rights of Members

In accordance with subsection 254(2)(c), all members have the right to resign from the Branch in accordance with the Rules of the Branch and section 174 of the Fair Work (Registered Organisations) Act 2009; namely, by providing written notice addressed and delivered to the Secretary of the Branch.

Superannuation Trustees/Directors

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

Prescribed Information under the Fair Work (Registered Organisations) Regulations (2009)

The number of persons that were at the end of the financial year recorded in the register of members was: 268

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Committee's Operating Report

For the year ended 30 June 2012

The number of persons who were at the end of the financial year employees of the organisation including both full-time and part-time employees measured on a full-time equivalent basis was: 1.40

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

<u>NAME</u>	<u>PERIOD</u>
Martin Zakharov	1/7/11 - 30/6/12
Terry Noone	1/7/11 - 30/6/12
Gavan Anderson	1/7/11 - 30/6/12
Ed Bates	1/7/11 - 30/6/12
Alan Richards	1/7/11 - 30/6/12
Allana Young	1/7/11 - 30/6/12
David James	1/7/11 - 30/6/12
Peter Whitford	1/7/11 - 30/6/12
Stephen Williams	1/7/11 - 30/6/12

Other Relevant Information

NIL

For Committee of Management:

Terry Noone

Title of Office Held:

Branch Secretary

Signed:



Date:

2/5/15

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989**Income and Expenditure Statement****For the year ended 30 June 2012**

	2012	2011
	\$	\$
Income		
Sundry Income	0	8
Distribution from trusts	710	5,387
Interest received	8,545	12,513
Gain (Loss) on Sales of Investments	(11,941)	(31,637)
Membership Dues & Entrance Fees	7,227	16,410
Total income	<u>4,541</u>	<u>2,681</u>
Expenses		
Advertising and promotion	0	532
Audit fees	2,000	2,000
Bank Fees And Charges	747	813
Computer Expenses	1,088	671
Conference/Exec Expenses	311	0
Consultants Fees	0	598
Debt Collection	505	479
Depreciation	1,483	1,744
Write-Down to Value of Investments	9,892	(50,154)
Entertainment	0	71
Federal Sustainment Fees	722	1,709
Fringe Benefits Tax	931	1,905
Holiday Pay (provision) – Employees	(3,422)	842
Holiday Pay (provision) – Officials	3,623	1,029
Insurance	3,102	3,303
Interest Expense	0	(153)
Publications & Subscriptions	0	82
Legal Fees	308	0
Light & Power	1,200	2,709
Long Service Leave (provision) – Employees	(4,081)	1,096
Long Service Leave (provision) - Officials	1,172	1,150
Meeting Expenses	439	291
M/V & Travelling Expenses	3,506	4,266
Postage	476	984
Printing & stationery	333	318
Rates & Taxes	1,040	2,022
Rent	8,314	12,305
Repairs & maintenance	522	12
Salaries & Allowances - Employees	6,311	13,339
Salaries & Allowances - Officials	50,307	50,677

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Income and Expenditure Statement

For the year ended 30 June 2012

	2012 \$	2011 \$
Staff amenities	11	0
Storage & Removal	693	0
Sundry expenses	310	594
Superannuation - Employees	389	1,191
Superannuation - Officials	4,845	4,153
Telephone & Internet	5,011	4,010
Total expenses	<u>102,086</u>	<u>64,590</u>
Profit (loss) from ordinary activities	(97,545)	(61,909)
Profit (loss) from extraordinary items		
- Federal Office Subsidies (Note 7)	(34,500)	(16,919)
Net profit (loss) attributable to the Branch	(132,045)	(78,827)
Total changes in equity of the Branch	(132,045)	(78,827)
Opening retained profits	(1,298,890)	(1,220,062)
Net profit (loss) attributable to the Branch	<u>(132,045)</u>	<u>(78,827)</u>
Closing retained profits	(1,430,934)	(1,298,890)

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989
Detailed Statement of Financial Position as at 30 June 2012

	2012	2011
	\$	\$
Current Assets		
Cash Assets		
Cash At Bank	8,421	24,898
ANZ Bank Account	76	206
PayPal	745	104
Bank Endorsed Bills	6,888	6,585
	16,130	31,793
Receivables		
Interest Receivable	859	859
Sundry Debtors	357	1,299
	1,216	2,158
Total Current Assets	17,347	33,951
Non-Current Assets		
Other Financial Assets		
NABHA (985 Income Securities)	67,837	67,837
MCW (13,600 Units)	25,024	25,024
MBLHB (13,600 Units)	66,754	66,754
Colonial First State	0	50,000
Perpetual	0	50,000
Increase (Decrease) in Market Value	(66,678)	(56,786)
	92,937	202,829
Property, Plant and Equipment		
Furniture & Fittings	118,188	118,188
Less: Accumulated depreciation	(114,711)	(114,097)
Motor vehicles - at cost	9,800	9,800
Less: Accumulated depreciation	(4,876)	(4,007)
	8,401	9,884
Total Non-Current Assets	101,338	212,713
Total Assets	118,685	246,664

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989
Detailed Statement of Financial Position as at 30 June 2012

	2012	2011
	\$	\$
Current Liabilities		
Payables		
Unsecured:		
Sundry Creditors	220	220
Funds Held in Trust - Federal	3,940	3,940
Funds Held in Trust - Sydney	22,640	21,841
Funds Held in Trust - Other	1,313	1,313
	<u>28,113</u>	<u>27,314</u>
Current Tax Liabilities		
GST clearing	1,151	747
PAYG Withholding Payable	5,277	2,637
Fringe Benefits Tax	6,637	5,706
	<u>13,065</u>	<u>9,090</u>
Provisions		
Provision for Annual Leave - Employees	0	3,422
Provision for Annual Leave - Officials	28,961	25,338
Provision for LSL - Employees	0	4,082
Provision for LSL - Officials	17,070	15,897
Provision for Audit Fees	10,000	8,000
	<u>56,031</u>	<u>56,739</u>
Total Current Liabilities	<u>97,208</u>	<u>93,143</u>
Net Assets	<u>21,477</u>	<u>153,521</u>
Members' Funds		
Reserves		
Capital profit reserve	1,452,411	1,452,411
Accumulated surplus (deficit)	(1,430,934)	(1,298,890)
Total Members' Funds	<u>21,477</u>	<u>153,521</u>

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989
Statement of Changes in Equity

	Retained Profits	Capital Profit Reserve	Total
Balance at 01/07/2010	(1,220,062)	1,452,411	232,349
Profit attributable to the members	(61,909)		(61,909)
Extraordinary Items	(16,919)		(16,919)
Balance at 30/06/2011	(1,298,890)	1,452,411	153,521
Profit attributable to the members	(97,545)		(97,545)
Extraordinary Items	(34,499)		(34,499)
Balance at 30/06/2012	(1,430,934)	1,452,411	21,477

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989**Statement of Cash Flows****For the year ended 30 June 2012**

	2012	2011
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	8,879	29,360
Payments to Suppliers and employees	(98,587)	(145,905)
Interest received	8,545	12,513
Interest and other costs of finance	0	153
Net cash provided by (used in) operating activities (note 2)	<u>(81,163)</u>	<u>(103,879)</u>
Cash Flow From Extraordinary Items		
Net cash provided by (used in) extraordinary item (note 3)	<u>(34,500)</u>	<u>(16,919)</u>
Cash Flow From Investing Activities		
Proceeds from disposal of:		
Shares in other companies	<u>100,000</u>	<u>89,683</u>
Net cash provided by (used in) investing activities	<u>100,000</u>	<u>89,683</u>
Net increase (decrease) in cash held	(15,663)	(31,116)
Cash at the beginning of the year	<u>31,793</u>	<u>62,909</u>
Cash at the end of the year (note 1)	<u>16,130</u>	<u>31,793</u>

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

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	8,421	24,898
ANZ Bank Account	76	206
PayPal	745	104
Bank Endorsed Bills	6,888	6,585
	<u>16,130</u>	<u>31,793</u>

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

Operating profit after income tax	(97,545)	(61,909)
Depreciation	1,483	1,744
Provision for diminution in the value of shares	9,892	(50,154)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	942	7,554
Increase (decrease) in trade creditors and accruals	0	(6,203)
Increase (decrease) in other creditors	799	(1,936)
Increase (decrease) in employee entitlements	(2,708)	4,117
Increase (decrease) in sundry provisions	5,975	2,906
Net cash provided by (used in) operating activities	<u>(81,163)</u>	<u>(103,879)</u>

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2012

Note 1: Statement of Significant Accounting Policies

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

The financial report covers the MUSICIAN'S UNION OF AUSTRALIA MELBOURNE BRANCH, an unincorporated association domiciled in Victoria, Australia. The Branch is a not for profit entity.

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.

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

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.

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.

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.

Property, Plant and Equipment

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

- a) 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

- b) 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 MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH commencing from the time the asset is held ready for use.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2012

Investments

Shares in listed companies held as current assets are valued at those shares' market value at each balance date. Gains or losses, whether realised or unrealised, are reflected in the financial statements in accordance with Australian Accounting Standards.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

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.

Contributions are made by MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH to an employee superannuation fund and are charged as expenses when incurred.

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.

Comparative Figures

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

Revenue

Revenue from all sources is measured at the fair value of the consideration received or receivable.

All revenue is stated net of the amount of goods and services tax (GST).

Going Concern

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

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: 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)

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2012

Note 3: Auditors' Remuneration

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	2,000	2,000
Other services	0	0
	<u>2,000</u>	<u>2,000</u>

Note 4: Contingent Liabilities

The Members of the Committee of Management are unaware of any contingent liability, the effect of which may be material in relation to the financial statements

Note 5: Events Subsequent to Reporting Date

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

Note 6: Listed / Unlisted Securities

NAME	Shares / Units	COST	Value at 30/6/2010	Increase / (Decrease)	Value at 30/6/2011
NABHA	670	67,837	53,412	(7,404)	46,009
MCW / CQR	13,600	25,024	8,704	299	9,003
MBLHB	650	66,755	50,050	(12,123)	37,928
		<u>359,616</u>	<u>112,166</u>	<u>(19,228)</u>	<u>92,940</u>

Values of the securities listed are calculated using quoted prices in active markets (e.g. Australian Stock Exchange)

Note 7: 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 and Musician's Union of Australia Sydney Branch.

The net effect of transactions with related entities is fully disclosed in the financial statements and the notes to the accounts. These include:

- Funds Held in Trust for the Sydney Branch and Federal Office (see Statement of Financial Position)
- Subsidies and repayments from/to Federal Office (see Note 10)

Key Management Personnel Compensation

	<u>Amount</u>
Short-term Employee Benefits	\$ 50,307
Post-Employment Benefits	\$ 4,845
Other Long-Term Benefits	\$ 1,172
Termination Payments	\$ -
Share-Based Payments	\$ -
TOTAL	<u>\$ 56,324</u>

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2012

Note 8: Additional Disclosures in accordance with the Reporting Guidelines

Cash Flows between the Union and Branches for the period:

2012 Cash Flows	<u>Cash Inflow</u>	<u>Cash Outflow</u>
Sydney Branch	\$ 799	
Federal Office		\$ 35,221
	<u>\$ 799</u>	<u>\$ 35,221</u>

Note 9: Federal Office Subsidies

	<u>2012</u>	<u>2011</u>
	\$	\$
Balance Brought Forward	182,015.36	165,096.61
Add: Current Year Advances	<u>69,811.13</u>	<u>25,713.58</u>
	251,826.49	190,810.19
Less: Advances refunded	<u>35,311.37</u>	<u>8,794.83</u>
Balance Carried Forward	<u>216,515.12</u>	<u>182,015.36</u>
Interest on Advances B/Fund	68,725.95	58,071.34
Add: Current Year Interest	<u>13,215.60</u>	<u>10,654.61</u>
Interest on Advance C/Fwd	<u>81,941.55</u>	<u>68,725.95</u>

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

(a) *General objectives, policies and processes*

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

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

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

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

(b) *Credit Risk*

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

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the Detailed Statement of Financial Position and the Notes to the Accounts.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2012

	2012	2011
	\$	\$
Cash and cash equivalents	<u>16,130</u>	<u>31,793</u>
The cash and cash equivalents are held in a high quality Australian financial institution		
Interest Receivable	859	859
Sundry Debtors	<u>357</u>	<u>1,299</u>
Total receivables	<u>1,216</u>	<u>2,158</u>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

(c) Liquidity Risk

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments. The Branch manages liquidity risk by monitoring cash flows.

The Branch is not significantly exposed to this risk; as at 30 June 2012 it had \$16,130 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities to third parties excluding associated entities at 30 June 2012 totaled \$220.

(d) Market Risk

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

Interest Rate Risk

Cash and cash equivalents are held in high quality Australian Financial Institutions. The performance of the Branch is not dependent on interest earnings from these cash holdings. Subsequently, fluctuations in the rate of interest earned on cash and cash equivalents does not have a material effect on the performance of the Branch.

Price Risk

Branch holdings of other financial assets subject to price risk and the movement in the value of those assets are disclosed in the Statement of Financial Position and notes to the accounts (note 9).

To the members of the Musicians Union of Australia Melbourne Branch

We have audited the accompanying financial report of MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH (the Branch), which comprises the Statement by Members of the Committee, Income and Expenditure Statement, 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 2012.

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 Fair Work (Registered Organisation) Act 2009. This responsibility includes designing, implementing 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. 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.

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 Australian Professional and Ethical Standards Board.

Qualifications

The financial report has been prepared on the basis of the Union as a going concern due to the continued financial support that the Branch receives from its members, its affiliated branches, and both secured and unsecured creditors. Although no indication has been given that such financial support will be withheld, no guarantee has been given and, accordingly, the ability of the Branch to pay its debts as and when required is not certain. In this regard, there is a risk that the going concern basis may be invalid.

Auditor's Opinion

In our opinion:

The financial report of MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH:

- (i) Presents a true and fair view of the Branch's financial position as at 30 June 2012 and of its performance and its cash flows for the year ended on that date;
- (ii) complies with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

Signed on: 4 May 2015

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

