



FAIR WORK
COMMISSION

22 July 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 2013 (FR2013/304)

I refer to the financial report of the Musicians' Union of Australia, Melbourne Branch, for the year ending 30 June 2013. The documents were lodged with the Fair Work Commission on 26 May 2015.

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

Whilst the 2013 report has been filed, the following matters should be addressed in the preparation of the financial report for the year ended 30 June 2015.

1. Face Statement Discrepancies

Subsidies and cash flows

Errors in balances reported in relation to, and derived from, the subsidies paid by the Melbourne Branch and re-paid by the Federal Office, including in relation to the reporting of net cash flows in respect of each must be, as previously discussed,¹ corrected where appropriate, including any related references in relevant explanatory notes (e.g. under 'Going Concern' and/or ".....Subsidies").

General fund

The statement at Note 10 that no amounts are included in equity in respect of (e) the general fund should be deleted since, according to the definition of "general fund" in the glossary, that "**general fund** means the equity of the reporting unit other than in relation to any fund operated by the reporting unit for a specific purpose", the general fund appears represented by the net equity of (\$11,118) disclosed in the statement of changes in equity.

Revenue

In Note 1, the statement under the heading "Revenue", that "*revenue from sustentation is accounted for on an accrual basis....*" should be corrected to "*revenue from membership subscriptions*" etc since the Melbourne Branch does not report any sustentation income.

¹ See my emails to you dated 1 July 2015

2. General Purpose Financial report

Activities under Reporting Guidelines not disclosed

Items 18 and 22 of the Reporting Guidelines² state that if any activities identified in item 17 or 21 respectively have not occurred in the reporting period, a statement to this effect³ must be included in the notes to the GPFR. I note that for the following activities no such disclosure was made:

- 17(c) – ‘affiliation fees paid to another (external) entity having an interest in industrial affairs
- 17(f)(iv) – ‘separation/redundancy expenses’ with respect to holders of office
- 17(f)(v) – ‘other employee expenses’ with respect to holders of office
- 21(c)(iii) – ‘separation/redundancy provisions’ with respect to holders of office
- 21(c)(iv) – ‘other employee provisions’ with respect to holders of office

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, please contact me by email at stephen.kellett@fwc.gov.au.

Yours sincerely,



Stephen Kellett
Senior Adviser,
Regulatory Compliance Branch

² 3rd edition, as applying to the year ended 30 June 2013

³ or a nil balance in the statement of comprehensive income or Notes cf. Model Financial statements

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

**Financial Report
For the year ended 30 June 2013**

Ascensio Accountants

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MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Secretary's Certificate

For the year ended 30 June 2013

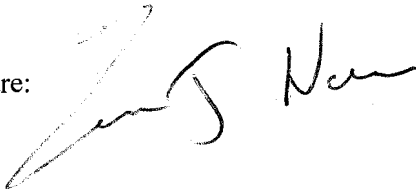
Secretary's Certificate

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 25 May 2015
- (iii) That the full report was presented to a meeting of the committee of management on 25 May 2015 in accordance with s.266 Fair Work (Registered Organisations) Act 2009

Signature:



Title: Branch Secretary

Date: 25/5/15

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989
Committee of Management Statement
For the year ended 30 June 2013

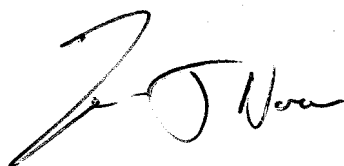
On 24 May 2015 the Committee of Management of the Musician's Union of Australia Melbourne Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2013:

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 Fair Work Australia;
- (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) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This 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: 24/5/14

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Committee's Report

For the year ended 30 June 2013

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 for the financial year ended 30 June 2013.

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 Union's purpose. No significant change in the nature of these activities occurred during the year.

Operating Result

The deficit from ordinary activities amounted to

Yearended	30 June 2013	30 June 2012
	(\$31,491)	(\$97,545)

Rights of Members

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

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Musician's Union of Australia Melbourne Branch during the reporting period.

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.

The accompanying notes form part of these financial statements.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989
Committee's Report
For the year ended 30 June 2013

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration & Accountability of Organisations) Regulations:

(a) The number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the RAO Schedule and who are taken to be members of the registered organisation under sec. 244 of the RAO Schedule was: 259

(b) The number of persons who were at the end of the financial year employees of the organisation including both full-time and part-time employees measured on a full-time equivalent basis was: 0.8

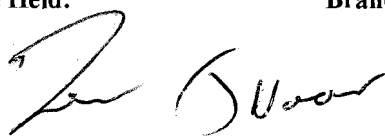
(c) The names of those who have been members of the Committee of Management of the organisation at any time during the financial year and the periods for which he or she held office were:

<u>NAME</u>	<u>PERIOD</u>
Martin Zakharov	1/7/12 - 30/6/13
Terry Noone	1/7/12 - 30/6/13
Gavan Anderson	1/7/12 - 30/6/13
Ed Bates	1/7/12 - 30/6/13
Alan Richards	1/7/12 - 30/6/13
Allana Young	1/7/12 - 10/9/12
David James	1/7/12 - 30/6/13
Peter Whitford	1/7/12 - 30/6/13
Stephen Williams	1/7/12 - 30/6/13

Other Relevant Information

NIL

For Committee of Management: Terry Noone
Title of Office Held: Branch Secretary

Signed: 

Date: 24/5/14

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989**Income and Expenditure Statement****For the year ended 30 June 2013**

	2013	2012
	\$	\$
Income		
Sundry Income	2	0
Distribution from trusts	729	710
Interest received	6,444	8,545
Gain (Loss) on Sales of Investments	(8,847)	(11,941)
Membership Dues & Entrance Fees	22,119	7,227
Total income	<u>20,447</u>	<u>4,541</u>
Expenses		
Advertising and promotion	205	0
Audit fees	2,000	2,000
Bank Fees And Charges	878	747
Computer Expenses	161	1,088
Conference/Exec Expenses	0	311
Debt Collection	345	505
Depreciation	1,260	1,483
Write-Down to Value of Investments	(20,386)	9,892
Federal Sustainment Fees	3,005	722
Fines & Penalties	990	0
Fringe Benefits Tax	968	931
Holiday Pay (provisions)	1,397	201
Insurance	0	3,102
Legal Fees	1,051	308
Light & Power	0	1,200
Long Service Leave (provisions)	1,150	(2,909)
Meeting Expenses	0	439
M/V & Travelling Expenses	2,579	3,506
Postage	773	476
Printing & stationery	588	333
Rates & Taxes	0	1,040
Rent	49	8,314
Repairs & maintenance	0	522
Salaries & Allowances - Employees	0	6,311
Salaries & Allowances - Officials	43,376	48,189
Annual Leave - Officials	4,236	2,118
Long Service Leave - Officials	0	0
Staff amenities	0	11
Storage & Removal	0	693
Sundry expenses	(255)	310

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 2013

	2013 \$	2012 \$
Superannuation - Officials	3,807	4,845
Superannuation - Employees	0	389
Telephone & Internet	3,760	5,011
Total expenses	<u>51,938</u>	<u>102,086</u>
Profit (loss) from ordinary activities	(31,491)	(97,545)
Profit (loss) from extraordinary items		
- Federal Office Subsidies	(1,104)	(34,500)
Net profit (loss) attributable to the Branch	(32,595)	(132,045)
Total changes in equity of the Branch	(32,595)	(132,045)
Opening retained profits	(1,430,934)	(1,298,890)
Net profit (loss) attributable to the Branch	(32,595)	(132,045)
Closing retained profits	(1,463,529)	(1,430,934)

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 2013

	2013	2012
	\$	\$
Current Assets		
Cash Assets		
Cash At Bank	322	8,421
ANZ Bank Account	46	76
PayPal	43	745
Bank Endorsed Bills	0	6,888
	<u>411</u>	<u>16,130</u>
Receivables		
Interest Receivable	859	859
Sundry Debtors	70	357
	<u>929</u>	<u>1,216</u>
Total Current Assets	<u>1,341</u>	<u>17,347</u>
Non-Current Assets		
Other Financial Assets		
NABHA (704 Income Securities)	53,561	67,837
MCW (13,600 Units)	25,024	25,024
MBLHB (500 Units)	51,348	66,754
Increase (Decrease) in Market Value	(46,292)	(66,678)
	<u>83,641</u>	<u>92,937</u>
Property, Plant and Equipment		
Furniture & Fittings	118,188	118,188
Less: Accumulated depreciation	(115,232)	(114,711)
Motor vehicles - at cost	9,800	9,800
Less: Accumulated depreciation	(5,615)	(4,876)
	<u>7,141</u>	<u>8,401</u>
Total Non-Current Assets	<u>90,782</u>	<u>101,338</u>
Total Assets	<u>92,123</u>	<u>118,685</u>

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 2013

	2013	2012
	\$	\$
<hr/>		
Current Liabilities		
Payables		
Unsecured:		
Sundry Creditors	220	220
Funds Held in Trust - Federal	3,940	3,940
Funds Held in Trust - Sydney	22,688	22,640
Funds Held in Trust - Other	1,313	1,313
	<hr/>	<hr/>
	28,160	28,113
	<hr/>	<hr/>
Current Tax Liabilities		
GST clearing	1,329	1,151
PAYG Withholding Payable	1,999	5,277
Fringe Benefits Tax	7,605	6,637
ATO Running Account	3,570	0
	<hr/>	<hr/>
	14,503	13,065
	<hr/>	<hr/>
Provisions		
Provision for Annual Leave - Officials	30,358	28,961
Provision for LSL - Officials	18,220	17,070
Provision for Audit Fees	12,000	10,000
	<hr/>	<hr/>
	60,578	56,031
	<hr/>	<hr/>
Total Current Liabilities	103,241	97,208
	<hr/>	<hr/>
Net Assets (Liabilities)	(11,118)	21,477
	<hr/>	<hr/>
Members' Funds		
Reserves		
Capital profit reserve	1,452,411	1,452,411
Accumulated surplus (deficit)	(1,463,529)	(1,430,934)
	<hr/>	<hr/>
Total Members' Funds	(11,118)	21,477
	<hr/>	<hr/>

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

	Notes	Retained Profits	Capital Profit Reserve	Total
Balance at 01/07/2011		(1,298,890)	1,452,411	153,521
Profit attributable to the members		(97,545)		(97,545)
Extraordinary Items		(34,499)		(34,499)
Subtotal		(1,430,934)	1,452,411	21,477
Balance at 30/06/2012		(1,430,934)	1,452,411	21,477
Profit attributable to the members		(31,491)		(31,491)
Extraordinary Items		(1,104)		(1,104)
Subtotal		(1,463,529)	1,452,411	(11,118)
Balance at 30/06/2013		(1,463,529)	1,452,411	(11,118)

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 2013**

	2013	2012
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	23,138	8,879
Payments to Suppliers and employees	(73,878)	(98,587)
Interest received	6,444	8,545
Net cash provided by (used in) operating activities (note 2)	<u>(44,296)</u>	<u>(81,163)</u>
Cash Flow From Extraordinary Items		
Net cash provided by (used in) extraordinary item (note 3)	<u>(1,104)</u>	<u>(34,500)</u>
Cash Flow From Investing Activities		
Proceeds from disposal of:		
Shares in other companies	29,682	100,000
Net cash provided by (used in) investing activities	<u>29,682</u>	<u>100,000</u>
Net increase (decrease) in cash held	(15,718)	(13,614)
Cash at the beginning of the year	16,130	31,793
Cash at the end of the year (note 1)	<u>411</u>	<u>18,179</u>

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Statement of Cash Flows

For the year ended 30 June 2013

2013

2012

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	322	8,421
ANZ Bank Account	46	76
PayPal	43	745
Bank Endorsed Bills	0	6,888
	<u>411</u>	<u>16,130</u>

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

Operating profit	(31,491)	(97,545)
Depreciation	1,260	1,483
Provision for diminution in the value of shares	(20,386)	9,892
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	287	942
Increase (decrease) in other creditors	48	799
Increase (decrease) in employee entitlements	2,547	(2,708)
Increase (decrease) in sundry provisions	3,438	5,975
Net cash provided by (used in) operating activities	<u>(44,296)</u>	<u>(81,163)</u>

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1: Statement of Significant Accounting Policies

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

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

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.

Taxation

No provision has been made in the accounts for income tax, on the basis that the Branch is exempt under Section 50-1 of the Income Tax Assessment Act 1997. Obligations for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST) still apply.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables

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

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.

Financial Instruments

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

Financial Assets

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

Fair Value through profit and loss

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

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2013

Loans and receivables

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

Impairment of Financial Assets

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

De-recognition of Financial Assets

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

Financial Liabilities

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

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

Fair Value through profit and loss

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

Other Financial Liabilities

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

De-recognition of Financial Liabilities

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

Contingent Assets and Liabilities

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2013

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. 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.

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

Cash is recognised at its nominal amount. 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 to changes in presentation for the current financial year. No reclassification adjustments have been made.

Expenditure amounts for "Salaries & Allowances - Officials" as shown in the 2012 report has been broken down into: "Salaries & Allowances - Officials", "Long Service Leave - Officials" and "Annual Leave - Officials" for the 2013 report.

Revenue

Revenue from overseas artists is measured at the fair value of the consideration received or receivable.

Revenue from sustenance is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

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

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2013

2013

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: 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 5: 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 6: Related Party Disclosures

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

- Sustentation (i.e. capitation) to the Federal Office (see Income & Expenditure Statement)
- Funds held in trust for Sydney Branch (see Statement of Financial position)
- Subsidies and repayments (from/to Melbourne Branch) (see Note 8)

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

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

There have been no other transactions between the officers and the Melbourne Branch other than those relating to their membership of the Branch and the reimbursement by the Melbourne Branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

Key Management Personnel Compensation	Amount
Short-term Employee Benefits	\$ 47,612
Post-Employment Benefits	\$ 3,807
Other Long-Term Benefits	\$ 1,150
Termination Payments	\$ -
Share-Based Payments	\$ -
TOTAL	<u>\$ 52,569</u>

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2013

Note 7: Going Concern

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

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

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

Note 8: Federal Office Subsidies

	<u>2013</u>	<u>2012</u>
	\$	\$
Balance Brought Forward	216,515.12	182,015.36
Add: Current Year Advances	<u>49,438.98</u>	<u>69,811.13</u>
	265,954.10	251,826.49
Less: Advances refunded	<u>48,334.67</u>	<u>35,311.37</u>
Balance Carried Forward	<u><u>217,619.43</u></u>	<u><u>216,515.12</u></u>
Interest on Advances B/Fund	81,941.55	68,725.95
Add: Current Year Interest	<u>13,728.86</u>	<u>13,215.60</u>
Interest on Advance C/Fwd	<u><u>95,670.41</u></u>	<u><u>81,941.55</u></u>

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

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Notes to the Financial Statements

For the year ended 30 June 2013

Note 9: Financial Risk Management

(a) General objectives, policies and processes

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

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

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

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

(b) Credit Risk

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

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

(c) Liquidity Risk

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

There is a risk that the Branch will be unable to meet its commitments in future years, given that the net asset position of the branch at balance date is (\$11,118). The Branch manages liquidity risk by monitoring cash flows.

(d) Market Risk

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

Sensitivity analysis of the risk that the entity is exposed to for 2013

Risk variable	Change in risk variable %	Effect on	
		Profit and loss	Equity
Interest rate risk	- [+ 1.00]	\$1,248-	\$1,248
Interest rate risk	- [- 1.00]	(\$1,248)-	(\$1,248)

Sensitivity analysis of the risk that the entity is exposed to for 2013

Risk variable	Change in risk variable %	Effect on	
		Profit and loss	Equity
Other price risk	- [+ 5.00]	\$518-	\$518
Other price risk	- [- 5.00]	(\$518)	(\$518)

Other disclosures under AASB 7 – Financial Risk Management

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

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

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

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2013

Note 10: Disclosures for the purpose of Section 253 of the RO Act

Paragraph 10: The Branch's ability to continue as a going concern is reliant on the agreed financial support of another reporting unit as defined under the Fair Work (Registered Organisations) Act 2009. Details of this support follows:

<u>Name of Reporting Unit</u>	<u>Terms & Conditions</u>
Musicians' Union of Australia Adelaide 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 Melbourne Branch, or representative of any other Branch acting on behalf of the Melbourne Branch

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 Federal Office	<ul style="list-style-type: none">• Melbourne Branch approval required before entering any financial commitment• Melbourne Branch not liable for any expenses incurred prior to July 2013• Melbourne Branch not liable for any expenses resulting from any fines, breaches of legislation or any impropriety undertaken by any representative of the Federal Office, or representative of any other Branch acting on behalf of the Federal Office

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

MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH ABN 38 106 892 989

Notes to the Financial Statements

For the year ended 30 June 2013

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	\$48	
MUA Federal Office		\$1,104

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

To the members of the Musicians Union of Australia Federal Office

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 2013.

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 Branch as a going concern due to the continued financial support that the Branch receives from its members, its affiliated branches, and both secured and unsecured creditors. 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:

Except for, and subject to, the matters referred to in the qualifications above, in our opinion:

The financial report of MUSICIANS UNION OF AUSTRALIA MELBOURNE BRANCH

- (i) presents a true and fair view of the Union's financial position as at 30 June 2013 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: 25 May 2015



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