

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED

ABN 33 000 033 447

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

*Meoli & Co - Chartered Accountants
Level 1, 94 Burwood Road
Burwood NSW 2134
Telephone: 02 9744 3034
Fax: 02 747 3034*

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2013

Your directors present their report on the entity for the year ended 31 December 2013.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Dr Rita Crews	Annette Brown
Susan Deas	Neta Maughan AM
Dr Rachel Hocking	Christinne Patton
Andrea Calilhanna	Slobodan Zivkovic
Barry Walmsley	Karen Green

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of entity secretary at the end of the financial year:
Miss Susan Deas -BA(UTS), B.Mus(UNSW), MMus, AMusA.

Principal Activities

The principal activities are those of promoting the study, practice, and knowledge of music in New South Wales and supporting and protecting the character, status and common interest of the musical profession in New South Wales.

Operating Results

During the year ended 31 December 2013, the entity made Operating Loss of \$6,859.
(2012 – Surplus \$10,028)

Dividends

The entity is limited by Guarantee and is prohibited by its Constitution from paying a dividend. No dividend has been recommended or paid.

Significant Changes In State Of Affairs

There were no significant changes in the state of affairs of the entity during the year.

Future Developments

The entity expects to maintain the present status of and level of operations and hence there are no likely developments in the entity's operations.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly effect the operations of the entity, the results of those operations, or the state of affairs of the entity in the future financial years.

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of state or territory.

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2013

Options

No options over issued shares or interest in the entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Information on Directors

Dr Rita Crews	President
Qualification	Phd(UNE), BA(Hons)(UNE), AMusTCL, GradCertDistEd(UNE), FMusicol(ASMC), HonFNMSM, DipMus(hc)(AICM).
Experience	Joined Council in 1987 and over the years served 3 terms in the capacity of Vice-President. Deputy chair of the AMEB(NSW). Examiner with AMEB(NSW) and Syllabus Advisor for written subjects and former Federal Examiner in written subjects.
Special Responsibilities	President and Editor of the Studio Journal
Mr Barry Walmsley KSJ	Vice President
Qualification	MMus, B.Ed, DSCM, AMusA, ATCL, LTCL, LGSMD
Experience	Joined Council in 2005, Member of Australia Society for Music Education, Guild of Church Musicians(UK) and a Fellow member of Australian Institute of Management.
Special Responsibilities	Vice President
Mrs Annette Brown	Treasurer
Qualification	
Experience	Joined Council in 2010 and for more than 10 years she has held various positions in music Organisations such as Australia Music Examination Board, The Australia Youth Orchestra and Music Viva and Willoughby Symphony Orchestra.
Special Responsibilities	Treasurer
Miss Susan Deas	Secretary
Qualification	BA(UTS), B.Mus(UNSW), MMus, AMusA
Experience	Joined Council in 2004 and served as Treasurer from 2006 to 2009. Has more than 20 years' experience as a professional pianist, lecturer and teacher. She regularly gives lectures for the University of Sydney's Centre for Continuing Education, and has also lectured for Musica Viva, Willoughby Symphony and the Sydney Philharmonia.
Special Responsibilities	Secretary

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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2013 (cont)

Mrs Andrea Calilhanna	Director
Qualification	GradDipT(Mus)(QUT), DipMus(QCM), LMusA, AMusA, FCSME
Experience	Joined Council in 2006. Has 30 years of experience teaching piano, musicianship and saxophone and taught Secondary Classroom Music for 15 years; professional accompanist; and adjudicator. Has conducted choral groups and trained pre-service university students.
Special Responsibilities	Nil
Miss Neta Maughan AM	Director
Qualification	DSCM, FCSME, LMusA, AMus
Experience	Joined Council in 1972, 35 years keyboard staff at the Sydney Conservatorium of Music, 45 years AMEB examiner and adjudicator. 30 times winner AMEB shield for piano excellence in teaching. President and Vice President on Council of Inner West Eisteddfod. 54 years full MTA member and Council member 42 years.
Special Responsibilities	Nil
Miss Christinne Patton	Director
Qualification	AMusA(P) ATCL(T) LTCL(T) FTCL
Experience	
Special Responsibilities	Nil
Mr Slobodan Zivkovic	Director
Qualification	MA, DipMus(Belgrade), BMus, MMus BME
	Joined Council in 2002. Has more than 40 years experience in Teaching piano. He was a member of the Advisory Committee for the 3 rd Piano Pedagogy C Conference in Sydney in 2007.
Special Responsibilities	Nil

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2013 (cont)

Mrs Karen Green	Director
Qualification	BMus(Voice), G.CertMus(Voice), M.MusEd (Vocal Performance Studies)
Experience	Joined Council in 2011. Has many years' experience in Singing teaching, Vocal performance, Eisteddfod Adjudication, Composition and Choir/Choral/Orchestral leadership. Also teaches Musicianship, Theory of Music and Piano.
Special Responsibilities	Nil
Dr Rachel Hocking	Director
Qualification	PhD, BMus, ATCL, GradULT
Experience	Joined Council in 2012. Experienced piano teacher at all levels including tertiary and is a piano examiner for the AMEB. Has worked with choral groups, churches, university choirs, regional orchestras, school groups and community choirs. Is a researcher in music education.
Special Responsibilities	Nil

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2013 (cont)

Meeting of Directors

During the financial year, 10 meeting of directors were held. Attendance by each director were as follows;

	Directors meetings	
	Number eligible to attend	Number attended
Dr Rita Crews	10	10
Mr Barry Walmsley KSJ	10	6
Mrs Annette Brown	10	6
Mrs Andrea Calilhanna	10	10
Miss Neta Maughan AM	10	9
Miss Christinne Patton	10	4
Mr Slobodan Zivkovic	10	10
Miss Susan Deas	10	6
Dr Rachel Hocking	10	4
Miss Karen Green	10	7

Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

Proceedings on Behalf of the Entity

No person has applied for the leave of the Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.


Members' Guarantee

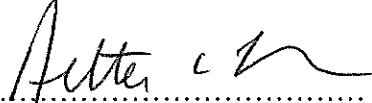
The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2013 the collective liability of members was \$5,740 (2013: \$6,190)

Auditor's Independence Declarations

The auditor's independence declaration for the year ended 31 December 2013 has been received and can be found on page 15.

Signed in accordance with a resolution of the directors.


.....
Dr Rita Crews
(President)


.....
Annette Brown
(Treasurer)

Dated this24th day of ...February.. 2014

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

DIRECTORS' DECLARATION


The directors have determined that the entity is not a reporting entity. The directors have determined that this special purpose report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.


The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 14 are in accordance with The Corporations Act 2001:
 - (i) comply with Accounting Standards and the Corporations
 - (ii) give a true and fair view of the financial position as at 31 December 2013 and of the performance for the year ended on that date of the entity

2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.


.....
Dr Rita Crews
(President)


.....
Annette Brown
(Treasurer)

Dated this24th day of ...February.. 2014

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue from members		63,287	74,387
Other revenue		38,390	63,148
Employee benefits expenses		(41,378)	(43,897)
Rental expenses		(9,503)	(8,012)
Audit and accounting fees		(3,300)	(4,213)
Fundraising expenses		(7,157)	(6,837)
Depreciation and amortisation		(1,301)	(720)
Administrative expenses		(45,897)	(63,828)
		<u>(6,859)</u>	<u>10,028</u>
Income tax expense		-	-
Surplus/ (loss) for the year		<u>(6,859)</u>	<u>10,028</u>
Other comprehensive income for the year:		<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the year		<u><u>(6,859)</u></u>	<u><u>10,028</u></u>

The accompany notes form part if these financial statements

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Current Assets			
Cash and cash equivalents	3	75,704	80,549
Trade and other receivables	4	6,025	1,733
Financial assets	5	166,734	166,300
Other assets	6	<u>500</u>	<u>500</u>
Total Current Assets		<u>248,963</u>	<u>249,082</u>
Non-Current Assets			
Property, plant and equipment	7	<u>5,039</u>	<u>4,820</u>
Total Non-Current Assets		<u>5,039</u>	<u>4,820</u>
Total Assets		<u>254,002</u>	<u>253,902</u>
Current Liabilities			
Trade and other payables	8	<u>18,561</u>	<u>14,493</u>
Total Current Liabilities		<u>18,561</u>	<u>14,493</u>
Total Liabilities		<u>18,561</u>	<u>14,493</u>
Net Assets		<u>235,441</u>	<u>239,409</u>
Members' Fund			
Reserves	9	215,837	217,371
Retained earnings		<u>19,604</u>	<u>22,038</u>
Total Members Fund		<u>235,441</u>	<u>239,409</u>

The accompany notes form part of these financial statements

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Retained Earnings	Total
Balance at 1 January 2012	7,610	7,610
Surplus attributable to the entity – 2012 year	10,028	10,028
Prior period Adjustments	4,400	4,400
Transfer from reserves	<u>—</u>	<u>—</u>
Balance at 31 December 2012	22,038	22,038
Loss attributable to the entity – 2013 year	(6,859)	(6,859)
Prior period Adjustments	1,192	1,192
Transfer from special purpose funds	<u>3,233</u>	<u>3,233</u>
Balance at 31 December 2013	<u>19,604</u>	<u>19,604</u>

The accompanying notes form part of these financial statements

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Cash Flows from Operating Activities			
Receipts from members and customers		113,334	150,616
Payments to suppliers and employees		(123,194)	(144,293)
Interest received		<u>6,535</u>	<u>9,908</u>
Net cash (used in)/generated from operating activities	11	<u>(3,325)</u>	<u>16,231</u>
Cash Flows from Investing Activities			
Payment for property, plant and equipment		(1,520)	(2,876)
Payment for investments in held to maturity assets		<u>-</u>	<u>-</u>
Net cash used in investment activities		<u>(1,520)</u>	<u>(2,876)</u>
Cash Flows from Financing Activities			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase/ (decrease) in cash held		(4,845)	13,355
Cash at the beginning of the financial year		<u>80,549</u>	<u>67,194</u>
Cash at the end of the financial year		<u>75,704</u>	<u>80,549</u>

The accompany notes form part of these financial statements

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Note 1: Statement of Significant Accounting Policies

The directors have determined that the entity is a non-reporting entity because there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared to meet the needs of the Directors and Members.

The financial statements have been prepared in accordance with the mandatory Australian Accounting standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial report has been based on historical costs unless otherwise stated in the notes. The significant accounting policies have been adopted in the preparation of this report are as follows:

- a. **Revenue**
Revenue from membership fees, subscriptions, donations, bequests and interest are recognised when received.
- b. **Plant and Equipment**
Plant and equipment are measured on the cost basis and less depreciation and impairment losses.

Depreciation

Plant and equipment are depreciated over their estimated useful lives using the diminishing value method.

- c. **Income Tax**
No provision for income tax has been made. The entity is exempt from taxation under Section 50-5 of the Income Tax Assessment Act 1997.
- d. **Cash and Cash Equivalent**
Cash and cash equivalent include cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.
- e. **Leases**
Lease payments for operating leases, where substantially all the risk and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.
- f. **Goods and Services Tax (GST)**
The entity was deregistered from GST on 30 September 2010.

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (cont)

g. Financial Instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provision of the instrument. Financial instruments are initially measured at fair value plus transaction costs.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets (note 5) that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised costs.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

h. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial Statements based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

i. Prior Period Adjustments

Prior period adjustments in the 2012 financial year relate to an overestimation of accruals in previous years financial statements. These accruals have been written back and as a result have increased the retained earnings by \$4,400. Prior period adjustments in the 2013 financial year relate to adjustments made to special purpose funds.

Note 2: Surplus/ (loss) before Income Tax

	2013	2012
	\$	\$
Expenses		
Depreciation and amortisation	<u>1,301</u>	<u>720</u>
Remuneration of auditor		
- audit financial statements	2,310	2,713
- other services	<u>990</u>	<u>1,500</u>
	<u>3,300</u>	<u>4,213</u>

Note 3: Cash and Cash Equivalents

Cash at bank	75,604	80,449
Cash on hand	<u>100</u>	<u>100</u>
	<u>75,704</u>	<u>80,549</u>

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (cont)

	2013	2012
	\$	\$
Note 4: Trade and Other Receivables		
Trade receivables	978	942
Interest Receivable	3,235	-
Prepaid Expenses	<u>1,812</u>	<u>792</u>
	<u>6,025</u>	<u>1,734</u>
Note 5: Financial assets		
CURRENT		
Held to maturity financial assets	<u>166,734</u>	<u>166,300</u>
Held to maturity assets are bank term deposit with maturity of less than 12 months.		
Note 6: Other assets		
Security deposit	<u>500</u>	<u>500</u>
Note 7: Plant and Equipment		
Office furniture and equipment – at cost	45,650	41,130
Less accumulated depreciation	<u>(40,611)</u>	<u>(39,310)</u>
	<u>5,039</u>	<u>4,820</u>
G. Hawkin Memorial Library – at cost	272	272
Less accumulated depreciation	<u>(272)</u>	<u>(272)</u>
	<u>-</u>	<u>-</u>
Total Plant and Equipment	<u>5,039</u>	<u>4,820</u>
Note 8: Trade and Other Payables		
Accrued expenses	708	635
Sundry payables	16,726	11,996
Superannuation payable	219	-
PAYG payable	<u>908</u>	<u>-</u>
	<u>18,561</u>	<u>14,493</u>
Note 9: Reserves		
Asset revaluation reserve	-	-
General reserve	-	-
Special purpose & bequest funds (Note 10)	<u>215,837</u>	<u>217,371</u>
	<u>215,837</u>	<u>217,371</u>

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont)

Note 10: Special Purpose Funds	2013	2012
	\$	\$
M.T.A Scholarships		
Balance brought forward	1,644	1,658
Add: Interest received	<u>-</u>	<u>37</u>
	1,644	1,695
Less: Prizes and awards	-	-
Less: Management fees	<u>49</u>	<u>51</u>
	<u>1,595</u>	<u>1,644</u>
 Margaret Chalmers Scholarship		
Balance brought forward	14,122	14,026
Add: Interest received	<u>364</u>	<u>532</u>
	14,486	14,558
Less: Management fees	343	436
Less: Prizes and awards	<u>3,000</u>	<u>-</u>
	<u>11,143</u>	<u>14,122</u>
 Benevolent Fund		
Balance brought forward	185,236	173,366
Add: Interest received	5,817	8,733
Add: Donations received	<u>12,203</u>	<u>14,649</u>
	203,256	196,748
Less: Management fees	5,973	5,600
Less: Donations & expenses	<u>4,154</u>	<u>5,913</u>
	<u>193,129</u>	<u>185,236</u>
 Elizabeth Todd Scholarship		
Balance brought forward	9,122	8,764
Add: Interest received	<u>277</u>	<u>358</u>
	9,399	9,122
Less: Bank Charges	20	-
Less: Management fees	530	-
Less: Monies held in General Account	1,000	-
Less: Prizes and awards	<u>4,000</u>	<u>-</u>
	<u>3,849</u>	<u>9,122</u>
 Gwenyth Pryor Professional Development		
Balance brought forward	7,248	7,288
Add: Interest received	<u>1</u>	<u>161</u>
	7,249	7,449
Less: Bank Charges	50	-
Less: Management fees	189	202
Less: Prizes, awards & expenses	<u>889</u>	<u>-</u>
	<u>6,121</u>	<u>7,247</u>
 Total special purpose & bequest funds	 <u>215,837</u>	 <u>217,371</u>

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont)

	2013	2012
	\$	\$
Note 11: Cash Flow Information		
Reconciliation of cash flow from operations		
With surplus/(loss) after income tax		
Surplus/(loss) after income tax	(6,859)	10,028
Prior Period Adjustments	1,192	(4,400)
Transfer from reserves	3,233	-
Non cash flows in profit		
Depreciation	1,301	720
Changes in assets and liabilities		
Decrease/(Increase) in receivable and deposit	(4,726)	(1,795)
Increase/(Decrease) in creditors	4,068	(591)
Increase/(Decrease) in special purpose & bequest funds	(1,534)	12,269
Net cash provided by/(used in) operating activities	<u>(3,325)</u>	<u>16,231</u>

Note 12: Leasing Commitments

Operating Lease Commitments

Non-cancellable operating lease contracted for but not capitalised in the financial statements

Payable:

- not later than 12 months	2,904	2,904
- between 12 months and 5 years	<u>1,936</u>	<u>4,840</u>
	<u>4,840</u>	<u>7,744</u>

Note 13: Entity Details

The registered office and principal place of business of the Music Teachers' Association of NSW Ltd is:

Suite 4, 17 Frederick Street
Oatley NSW 2223

Meoli & Co.

Level 1, 94 Burwood Road,
P.O. Box 262
BURWOOD NSW 2134

Chartered Accountants

ABN: 93 466 745 204

Telephone: (02) 9744-3034
Facsimile: (02) 9747-3034

Partners: Flavio Meoli B.Com F.C.A. Sarina Meoli B.Bus F.C.A.

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Music Teachers' Association of NSW Ltd.

I declare that, to the best of my knowledge and belief, during the year ended 31 December, 2013, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit



Flavio Meoli FCA
Registered Company Auditor
No. 4400

Dated in Sydney on: 24 February 2014

Liability limited by a scheme approved under Professional Standards Legislation

Meoli & Co.

Level 1, 94 Burwood Road,
P.O. Box 262
BURWOOD NSW 2134

Chartered Accountants

ABN: 93 466 745 204

Telephone: (02) 9744-3034
Facsimile: (02) 9747-3034

Partners: Flavio Meoli B.Com F.C.A. Sarina Meoli B.Bus F.C.A.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED**

I have audited the accompanying financial report, being a special purpose financial report, of Music Teachers' Association of NSW Limited, which comprises the statement of financial position as at 31st December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Music Teachers' Association of NSW Limited are responsible for the Preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial reports 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

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 judgment, 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 directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for the distribution to members of the purpose of fulfilling the directors' financial reporting responsibility under the *Corporations Act 2001*. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion

Liability limited by a scheme approved under Professional Standards Legislation

Meoli & Co.

Level 1, 94 Burwood Road,
P.O. Box 262
BURWOOD NSW 2134

Chartered Accountants

ABN: 93 466 745 204

Telephone: (02) 9744-3034
Facsimile: (02) 9747-3034

Partners: Flavio Meoli B.Com F.C.A. Sarina Meoli B.Bus F.C.A.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Music Teachers' Association of NSW Limited on 25 February 2013, would be in the same term if provided to the directors as at the date of this auditor's report.

Qualification

As is common for organisations of this type, it is not practicable for the Music Teachers' Association of NSW Limited to maintain an effective system of internal control over donations and fund-raising activities. Accordingly, as the evidence available to us regarding revenue from this source was limited, my audit procedures with respect to donations and fund-raising activities had to be restricted to the amounts recorded in the financial records. I therefore are unable to express an opinion whether income from donations and fund-raising is complete.

Qualified Auditor's Opinion

In my opinion, except for the effects on the financial report of such adjustments if any, as might have been required had the limitation on my audit procedures referred to in the qualification paragraph not existed, the financial statements present fairly, in all material aspects, the financial position of Music Teachers' Association of NSW Limited as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations) to the extent described in Note 1.



Flavio Meoli FCA
Registered Company Auditor
No. 4400

Dated in Sydney on 24/2/14

Liability limited by a scheme approved under Professional Standards Legislation