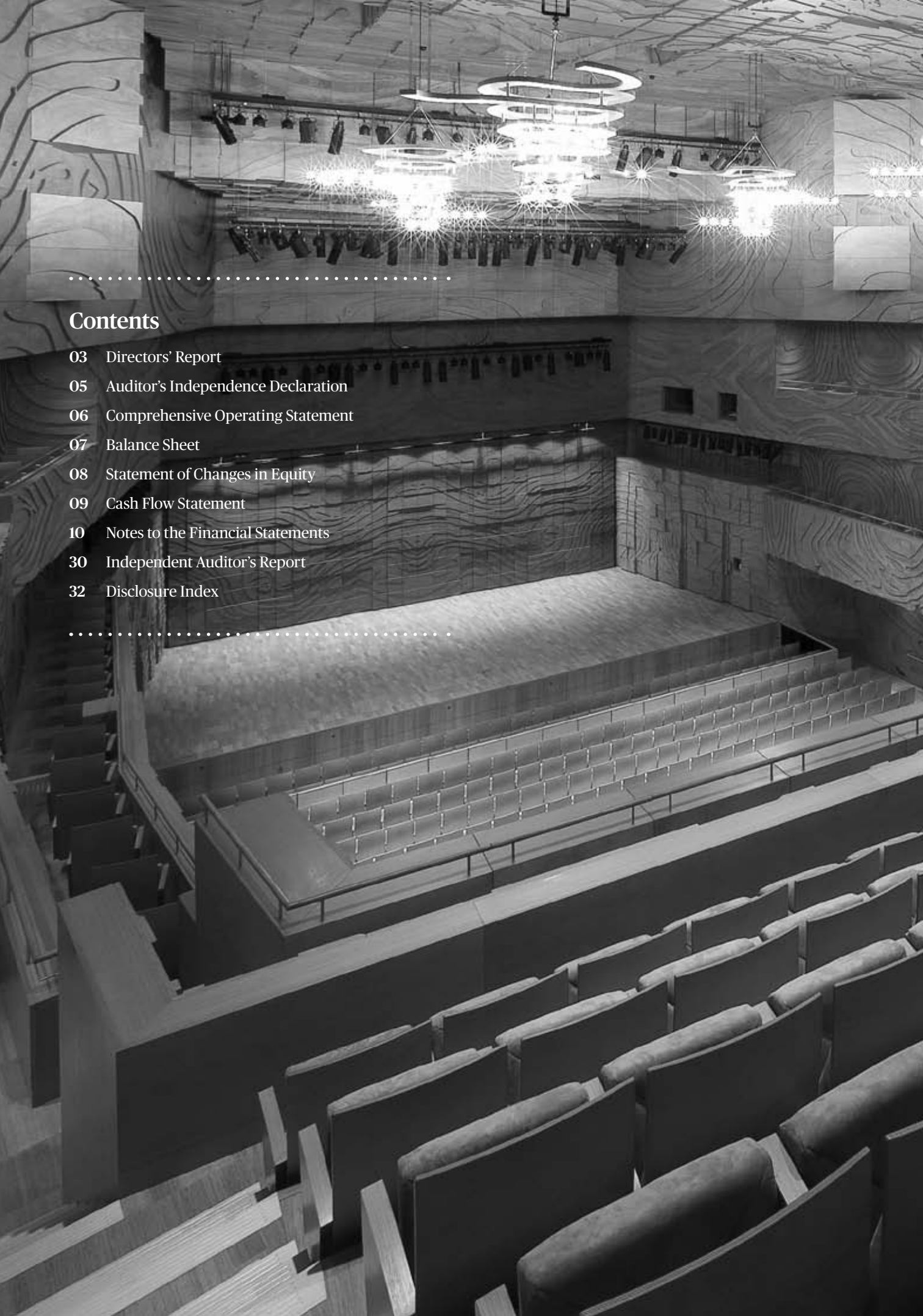


Annual Report 2012-13 PART 2

MELBOURNE RECITAL CENTRE





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Directors' Report

The Directors present this report on Melbourne Recital Centre for the financial year ended 30 June 2013.

Directors

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

Kathryn Fagg, Chair (appointed 20 September 2010, reappointed 22 April 2013)

Tom Bonvino (appointment expired 2 March 2012, reappointed 2 March 2012)

John Higgs (appointment expired 2 March 2012, reappointed 2 March 2012)

Julie Kantor (appointment expired 2 March 2013, reappointed 22 April 2013)

Peter Bartlett (appointed 3 March 2012)

Stephen Carpenter (appointed 3 March 2012)

Des Clark (appointed 3 March 2012)

Joseph Corponi (appointed 3 March 2012)

Margaret Farren-Price (appointed 3 March 2012)

Directors have been in office since 1 July 2012 to the date of this report unless otherwise stated.

All Directors are independent of the management.

Company Secretary

John Higgs held the position of Company Secretary at the end of the financial year.

Membership of Melbourne Recital Centre

Melbourne Recital Centre is a company limited by guarantee. The sole member of the Company is the Minister for the Arts The Hon. Heidi Victoria MLA.

Principal Activities

The principal activity of the Company during the financial year was planning and managing the operations of Melbourne Recital Centre.

Operating Results

The net result from transactions was a surplus of \$17,946. A further loss of (\$4,436) was as a result of the disposal of assets (\$708) and a foreign exchange loss (\$3,728).

The overall surplus of the Company amounted to \$13,510 (\$96,728 in 2011-12).

Dividends Paid or Recommended

In line with the Constitution of the Melbourne Recital Centre no part of the income or property was paid, transferred or distributed, directly or indirectly, by way of dividend, bonus, or other profit distribution, to any of the members or Directors during the financial year.

Review of Operations

The Company's focus was consolidating its position and broadening its audience.

Significant Changes in State of Affairs

There was no significant change in state of affairs during the financial year.

Proceedings on Behalf of the Company

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

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

After Balance Date Events

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

Directors' Report

Future Developments

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

Environmental Regulations

No significant environmental regulations apply that are likely to have an unexpected material effect on the operations or financial results of Melbourne Recital Centre.

Options

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

Meetings of Directors

During the financial year, seven meetings of Directors were held. Attendance by each Director was as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Kathryn Fagg	7	7
Tom Bonvino	7	6
John Higgs	7	6
Julie Kantor	7	6
Peter Bartlett	7	5
Stephen Carpenter	7	7
Joseph Corponi	7	6
Margaret Farren-Price	7	7
Des Clark	7	6

Directors' Benefits

Directors' benefits are set out in note 16 to the financial statements.

Insurance of Directors and Officers

During the financial year \$6,688.67 was paid by the Company to the Victorian Managed Insurance Authority for Directors' and Officers' Liability insurance premiums and recorded as an expense in the Statement of Financial Performance. The insurance provides cover for Directors and Officers of Melbourne Recital Centre against certain personal liabilities that they may incur by reason of their duties as Directors and Officers.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 5 of the Directors' report.

Signed in accordance with a resolution of the Board of Directors.



Director
Kathryn Fagg

Dated this 22 day of August



CEO
Mary Vallentine AO

Dated this 22 day of August

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

To the Directors of Melbourne Recital Centre Ltd

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.


Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament any matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the Melbourne Recital Centre Ltd for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporation Act 2001* in relation to the audit
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
28 August 2013


for John Doyle
Auditor-General

Melbourne Recital Centre
Comprehensive Operating Statement for the Financial Year Ended 30 June 2013

	Notes	2013	2012
		\$	\$
Income from transactions			
Government grants		3,859,000	3,859,000
Commercial operations	2(b)	5,105,992	4,866,576
Other income	2(a)	1,531,140	1,115,102
Total income from transactions		10,496,132	9,840,678
Expenses from transactions			
Employee expenses	3(a)	(3,901,324)	(3,708,397)
Finance costs		(52,202)	(49,263)
Supplies and consumables	3(b)	(2,661,024)	(2,320,792)
Training expenses		(8,073)	(22,260)
Artistic and production costs		(2,435,167)	(1,900,322)
Building occupancy		(716,087)	(803,021)
Auditors' remuneration	3(c)	(59,573)	(41,332)
Legal and consultancy expenses		(192,454)	(359,517)
Depreciation	19	(452,282)	(494,385)
Total expenses from transactions		(10,478,186)	(9,699,289)
Net result from transactions (net operating balance)		17,946	141,389
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	23	(708)	(40,799)
Net gain/(loss) on financial instruments, realised foreign exchange gain/(loss)		(3,728)	(3,862)
Net result		13,510	96,728
Other economic flows - other comprehensive income (OCI)		-	-
Comprehensive result - total change in net worth		13,510	96,728

The comprehensive operating statement should be read in conjunction with the accompanying notes on pages 10 to 28.

Melbourne Recital Centre
Balance Sheet as at 30 June 2013

	Notes	2013	2012
		\$	\$
Assets			
Financial assets			
Cash and deposits	4	6,891,530	6,692,100
Receivables	5	301,151	125,748
Current tax assets - GST receivable		50,167	34,640
Total financial assets		7,242,848	6,852,488
Non-financial assets			
Inventories		19,187	15,393
Property, plant and equipment	19	3,531,068	3,582,903
Other non-financial assets	6	100,639	61,469
Total non-financial assets		3,650,894	3,659,765
Total assets		10,893,742	10,512,253
Liabilities			
Trade and other payables	7	995,979	754,702
Venue hire and ticket sales deposits	8	947,522	571,342
Provisions	9	313,154	251,660
Other liabilities	10	-	310,972
Total liabilities		2,256,655	1,888,676
Net assets		8,637,087	8,623,577
Equity			
Accumulated surplus	11	4,538,554	5,048,040
Public fund - general	13	3,819,828	3,575,537
Public fund - externally funded special projects reserve	13	278,705	-
Net worth		8,637,087	8,623,577
Commitments for expenditure	12		
Contingent liabilities and contingent assets	21		

The balance sheet should be read in conjunction with the accompanying notes on pages 10 to 28.

Melbourne Recital Centre
Statement of Changes in Equity for the Financial Year Ended 30 June 2013

CHANGES DUE TO

	Notes	Equity at 1 July 2012	Total comprehensive result	Transfer between fund	Equity at 30 June 2013
Accumulated surplus/(deficit)	11	5,048,040	13,510	-	5,061,550
Transfer from/(to) public fund			-	(522,996)	(522,996)
Public fund - general	13	3,575,537	-	244,291	3,819,828
Public fund - externally funded special projects reserve	13		-	278,705	278,705
Total equity at end of financial year		8,623,577	13,510	-	8,637,087

CHANGES DUE TO

	Notes	Equity at 1 July 2011	Total comprehensive result	Transfer between fund	Equity at 30 June 2012
Accumulated surplus/(deficit)	11	5,233,013	96,728	-	5,329,741
Transfer from/(to) public fund			-	(281,701)	(281,701)
Public fund	13	3,293,836	-	281,701	3,575,537
Total equity at end of financial year		8,526,849	96,728	-	8,623,577

The statement of changes in equity should be read in conjunction with the accompanying notes on pages 10 to 28.

Melbourne Recital Centre
Cash Flow Statement for the Financial Year Ended 30 June 2013

	Notes	2013 \$ Inflow/(Outflow)	2012 \$ Inflow/(Outflow)
Cash flows from operating activities			
Receipts			
Receipts from State Government		3,859,000	3,859,000
Receipts from customers		5,671,996	4,725,160
Receipts from insurance claims		-	149,163
Fundraising and sponsorship		794,076	509,520
Interest received		246,739	306,752
GST refunded from ATO		198,864	225,899
Total receipts		10,770,675	9,775,494
Payments			
Payments to suppliers		(6,433,045)	(5,650,565)
Payments to employees		(3,681,724)	(3,693,224)
Finance costs		(55,930)	(53,125)
Total payments		(10,170,699)	(9,396,914)
Net cash flow from/(used in) operating activities	18(b)	599,976	378,580
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		(400,546)	(235,724)
Receipts from disposal of assets		-	22,500
Net cash flows from/(used in) investing activities		(400,546)	(213,224)
Cash flows from financing activities			
Net cash flow from/(used in) financing activities		(-)	(-)
Net increase in cash and cash equivalents		199,430	165,356
Cash and cash equivalents at beginning of financial year		6,692,100	6,526,744
Cash and cash equivalents at end of financial year	4, 18(a)	6,891,530	6,692,100

The cash flow statement should be read in conjunction with the accompanying notes on pages 10 to 28.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards and the *Corporations Act 2001*. Where applicable, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

The financial statements were authorised for issue by the Board of Directors on the date the declaration was signed.

(b) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate.

The financial statements have been prepared on a historical cost basis, except for non-current physical assets and financial instruments. Non-current physical assets, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

The fair value of an asset is generally based on its depreciated replacement value.

The financial statements are presented in Australian dollars, the functional and presentation currency of Melbourne Recital Centre.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The financial statements have been prepared on a going-concern basis.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concept of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(c) Reporting entity

The financial statements cover Melbourne Recital Centre as an individual reporting entity. Melbourne Recital Centre is an individual company, incorporated and domiciled in Australia.

Melbourne Recital Centre is a company incorporated under the *Corporation Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstandings and obligations of the Company. At 30 June 2013, the number of members was 1, and the sole member of the company is the Minister of the Arts.

The registered office is:

Melbourne Recital Centre
31 Sturt Street
Southbank 3006

The principal place of business is:

Melbourne Recital Centre
31 Sturt Street
Southbank 3006

(d) Scope and presentation of financial statements

Melbourne Recital Centre has presented its complete set of financial statements in alignment with the AASB 1049 presentation format used in the Financial Report of the State and the general government sector.

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from transactions or other economic flows. This classification is consistent with the whole-of-government reporting format and is allowed under AASB 101 Presentation of Financial Statements.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually interactions between entities by mutual agreement. Transactions also include flows within an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets.

The net result is equivalent to profit and loss derived in accordance with AASs.

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliation of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

(e) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to Melbourne Recital Centre and the income can be reliably measured.

Grant income is recognised in the operating statement in the reporting period in which Melbourne Recital Centre gains control of the underlying asset.

Fundraising and sponsorship are recognised as revenue when received.

Interest revenue and distribution income from investments are recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from commercial operations is recognised upon the delivery of the service to the customers. Revenue from the sale of goods is recognised upon the delivery of goods to customers.

(f) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Employee expenses include superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution (i.e. accumulation) superannuation plans. The associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period.

Superannuation

All superannuation contributions are to defined contribution plans and expensed when incurred.

Depreciation

The depreciable amount (cost less residual value) of all plant, property and equipment is depreciated on a straight-line basis over their useful lives to Melbourne Recital Centre commencing from the time the asset is held ready for use.

The useful life for each class of depreciable assets is:

Class of asset	Useful life	
	2013	2012
Building fit-out	20-40 Years	20-40 years
Venue furniture and equipment	4-20 years	4-20 years
Office furniture and equipment	3-20 years	3-20 years
Musical instruments	10-20 years	10-20 years
Cultural assets	Indefinite	Indefinite

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Supplies and consumables

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

Bad and doubtful debts

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected. Bad debts are written off when identified.

(g) Other economic flows included in the net result

Other economic flows measure the change in volume or value of assets and liabilities that do not result from transactions.

(h) Financial assets

Cash and deposits

Cash and cash equivalents include cash on hand and deposits held at-call with banks.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any accumulated impairment.

(i) Non-financial assets**Inventories**

Inventories include goods and other property held for sale in the ordinary course of business operations and exclude depreciable assets.

Inventory is measured at the lower of cost and net realisable value. Cost is measured on the basis of weighted average cost.

Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Gains and losses on disposals are determined by deducting the carrying amount from the proceeds. These gains or losses are included in the operating statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of assets

All other assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as another economic flow, except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Other non-financial assets**Prepayments**

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(j) Liabilities**Payables**

Payables consist predominately of accounts payable and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to Melbourne Recital Centre prior to the end of the financial year that are unpaid, and arise when Melbourne Recital Centre becomes obliged to make future payments in respect of the purchase of those goods and services.

Provisions

Provisions are recognised when Melbourne Recital Centre has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages, salaries, annual and long service leave for services rendered to the reporting date.

Wages salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave which are expected to be settled within 12 months of the reporting period, are recognised in the provision for employee benefits. These liabilities are classified as current liabilities and measured at their nominal value.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when liabilities are settled using the remuneration rate expected to apply at the time of the settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability - unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Melbourne Recital Centre does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- › Present value - component that Melbourne Recital Centre does not expect to settle within 12 months; and
- › Nominal value - component that the Company expects to settle within 12 months.

Non-current liability - conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised in the operating statement.

Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

(k) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

Future lease payment liabilities for both finance and operating leases are included as lease liabilities in the balance sheet.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(l) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value, including GST payable.

Commitments and contingent assets or liabilities are presented on a gross basis.

(m) Events after the reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date.

Note disclosure is made about events between the balance date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

(n) Goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(o) Income tax

No provision for income tax has been raised as Melbourne Recital Centre is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(p) Comparative figures

Where required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Economic dependence

Melbourne Recital Centre is dependent on Arts Victoria for the majority of its funding required to operate the business. At the date of this report the Directors have no reason to believe Arts Victoria will not continue to support Melbourne Recital Centre.

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

(r) Public Fund

Melbourne Recital Centre is required by its constitution to maintain a Public Fund with a separate bank account into which all donations of cash and property and all proceeds derived therefrom including interest, income or money from the realisation of property are paid. The Public Fund is only used to further Melbourne Recital Centre's objectives. In the event of the winding up of the Public Fund, or the Public Fund ceasing to be on the register of cultural organisations, or Melbourne Recital Centre ceasing to be endorsed as a deductible gift recipient, any surplus of assets of the Public Fund must be transferred to a Public Fund: which is charitable at law; where gifts can be deducted under Subdivision 30-B due to it being listed on the register of cultural organisations, as the members of Melbourne Recital Centre decide.

(s) Externally funded special projects reserve

Externally funded special projects reserve consists of unexpended donations and grants tied to a specific purpose.

(t) Australian Accounting Standards issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2013 reporting period. The Department of Treasury and Finance assesses the impact of all these new standards and advises the Department of their applicability and early adoption where applicable.

As at 30 June 2013, the following AASs have been issued by the AASB but are not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as follows:

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial instruments</i>	This Standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 January 2015	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 13 <i>Fair Value Measurement</i>	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other Australian accounting standards. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1 January 2013	Disclosure for fair value measurements using unobservable inputs are relatively detailed compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures required assets measured using depreciated replacement cost.
AASB 119 <i>Employee Benefits</i>	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows - other movements in equity') reported on the comprehensive operating statement.	1 January 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions a few Victorian public sector entities that report superannuation defined benefit plans.

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities, and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 1055 <i>Budgetary Reporting</i>	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to not-for-profit entities within the GGS, provided that these entities present separate budget to the parliament.	1 January 2014	[If separate budget is presented to the parliament]: The entity will be required to restate in the financial statements the budgetary information in accordance with the presentation format prescribed in Australian Accounting Standards and explain the significant variances from the original budget. [If separate budget is not presented to the parliament]: This Standard is not applicable as no budget disclosure is required.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2012-13 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9.

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.

AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).

2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities.

2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities.

2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.

2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets.

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 2: INCOME FROM TRANSACTIONS

	2013	2012
	\$	\$
Fundraising and sponsorship	926,066	659,187
Interest received	246,739	306,752
Other income	78,335	-
Other income - insurance claims	280,000	149,163
(a) Total other income	1,531,140	1,115,102
Artistic programming	2,529,449	2,550,889
Venue hire	1,458,975	1,427,011
Commercial activities	1,117,568	888,676
(b) Total commercial operations	5,105,992	4,866,576

NOTE 3: EXPENSES FROM TRANSACTIONS

	2013	2012
	\$	\$
Employee expenses		
Salaries, wages and long service leave	3,592,195	3,416,988
Defined contribution superannuation plans	309,129	291,409
(a) Total employee expenses	3,901,324	3,708,397
Marketing and promotion	1,547,456	1,223,675
Information technology	376,839	333,381
Other supplies and consumables	736,729	763,736
(b) Total supplies and consumables	2,661,024	2,320,792
Auditors' remuneration		
› External audit services (Victorian Auditor - General's Office)	35,000	33,500
› Internal audit services	24,573	7,832
(c) Total auditors' remuneration	59,573	41,332

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 4: CASH AND DEPOSITS

	2013	2012
	\$	\$
Cash at bank - trading accounts	265,600	1,102,982
Cash at bank - public fund	4,114,647	3,576,915
Cash at bank - venue hire and ticket sales deposit accounts	1,768,617	1,273,977
Cash on hand	7,771	7,932
Cash on short-term deposits	734,895	730,294
Total cash and deposits	6,891,530	6,692,100

NOTE 5: RECEIVABLES

	2013	2012
	\$	\$
Current trade debtors (contractual)	301,151	125,748
Less provision for doubtful debts	-	-
Total receivables	301,151	125,748

(a) Movement in provision for doubtful debts

	2013	2012
	\$	\$
Balance at beginning of the year	-	-
Increase/(decrease) in provision recognised in the net result	-	-
Balance at end of the year	-	-

(b) Ageing analysis of contractual assets

Please refer to Table 20.3 in Note 20 for the ageing analysis of contractual assets.

(c) Nature and extent of risk arising from contractual assets

Please refer to Note 20 for the nature and extent of credit risk arising from contractual assets.

NOTE 6: OTHER NON-FINANCIAL ASSETS

	2013	2012
	\$	\$
Security deposit	800	800
Prepayments	99,839	60,669
Total other current assets	100,639	61,469

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 7: TRADE AND OTHER PAYABLES

	2013	2012
	\$	\$
Current trade payables (contractual)	636,161	553,962
Employee benefits	359,818	200,740
Total payables	995,979	754,702

(a) Maturity analysis of contractual payables

Please refer to Table 20.4 in Note 20 for the maturity analysis of contractual payables.

(b) Nature and extent of risk arising from contractual payables

Please refer to Note 20 for the nature and extent of risks arising from contractual payables.

NOTE 8: VENUE HIRE AND TICKET SALES DEPOSITS

	2013	2012
	\$	\$
Venue hire deposits	253,853	218,212
Ticket sales deposits	693,669	353,130
Total venue hire and ticket sales deposits held	947,522	571,342

NOTE 9: PROVISIONS

	2013	2012
	\$	\$
Current		
Employee benefits - annual leave entitlements - unconditional	169,917	154,122
Employee benefits - long service leave entitlements - unconditional	11,366	7,408
Provision related to employee benefits on costs	18,328	16,127
Total current provisions	199,611	177,657
Non-current		
Employee benefits - conditional long service leave entitlements	102,291	66,669
Provision related to employee benefits on costs	11,252	7,334
Total non-current provisions	113,543	74,003
Total provisions	313,154	251,660
Balance at beginning of the year	251,660	232,025
Increase/(decrease) in provision recognised in the net result	61,494	19,635
Balance at end of the year	313,154	251,660

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 10: OTHER LIABILITIES

	2013	2012
	\$	\$
Other income received in advance	-	310,972
Total other liabilities	-	310,972

NOTE 11: STATEMENT IN CHANGES IN EQUITY

The surplus of \$13,510 and equity of \$522,996 (\$281,701 in 2011-12) attributable to the Public Fund has been transferred from the accumulated surplus/(deficit) to the Public Fund.

NOTE 12: COMMITMENTS FOR EXPENDITURE

The following commitments have not been recognised as liabilities in the financial statements.

	2013	2012
	\$	\$
Capital Commitments Payable:		
Not later than one year	228,000	-
Later than one year but not later than five years	-	-
Total Capital Commitments	228,000	-
Expenditure commitments payable (these relate to non-cancellable contracts for information technology contractor, and for equipment hire):		
Not later than one year	131,868	132,848
Later than one year but not later than five years	142,258	274,126
Total expenditure commitments	274,126	406,974
Total commitments for expenditure (inclusive of GST)	274,126	406,974
Less GST recoverable from the Australian Taxation Office	(24,921)	(36,998)
Total commitments for expenditure (exclusive of GST)	249,205	369,976

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 13: PUBLIC FUND

Operating statement for the year ended 30 June 2013

	Note	2013	2012
		\$	\$
Revenue			
Fundraising and private donations		588,875	273,254
Interest		142,741	189,362
Total revenue		731,616	462,616
Expenses			
Music commission		208,620	180,915
Total expenses		208,620	180,915
Net surplus for the year		522,996	281,701

Balance sheet as at 30 June 2013

	Note	2013	2012
		\$	\$
Assets			
Cash and deposits		4,135,345	3,576,915
Other current assets		-	23,264
Total assets		4,135,345	3,600,179
Liabilities			
Music commission		36,812	24,642
Total liabilities		36,812	24,642
Net assets		4,098,533	3,575,537
Equity			
Public fund - general		3,819,828	3,575,537
Public fund - externally funded special projects reserve*		278,705	-
Total equity		4,098,533	3,575,537

* Externally Funded Special Projects Reserve consists of unexpended donations and grants tied to a specific purpose

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 14: EVENTS AFTER THE BALANCE DATE

Since 30 June 2013, there are no matters or circumstances that have arisen that require adjustments to or disclosure in the financial statements.

NOTE 15: RESPONSIBLE PERSONS

The names of the persons who held the positions of Minister, Responsible Persons and Accountable Officer are as follows:

Premier and Minister for the Arts	The Hon. Ted Baillieu MLA (1 July 2012 - 6 March 2013)
Premier and Minister for the Arts	The Hon. Denis Napthine MLA (6 March 2013 - 13 March 2013)
Minister for the Arts	The Hon. Heidi Victoria MLA (13 March 2013 - 30 June 2013)

Amounts relating to the Ministers' remuneration are reported in the financial statements of the Department of Premier and Cabinet.

Responsible Persons

	Start Date	End Date
Kathryn Fagg - Chair	20 September 2010	2 March 2016
Tom Bonvino	18 September 2009	2 March 2015
John Higgs	18 September 2009	2 March 2015
Julie Kantor	13 April 2006	2 March 2015
Peter Bartlett	3 March 2012	2 March 2015
Stephen Carpenter	3 March 2012	2 March 2015
Joseph Corponi	3 March 2012	2 March 2015
Margaret Farren-Price	3 March 2012	2 March 2015
Des Clark	3 March 2012	2 March 2015

Accountable Officer

Mary Vallentine AO

The remuneration of the Accountable Officer in connection with the management of Melbourne Recital Centre fell within the following band:

\$220,000-\$229,999 (\$220,000-\$229,999 in 2011-12)

NOTE 16: DIRECTORS' REMUNERATION

All Directors are appointed by the Minister for the Arts. They do not receive remuneration for services provided in their role as Directors although they are eligible to be reimbursed for out-of-pocket expenses.

NOTE 17: REMUNERATION OF EXECUTIVES

The total remuneration of the Executive Management of Melbourne Recital Centre is \$571,983 (\$556,017 in 2011-12).

One executive fell within the band \$150,000-\$159,999 and three executives fell within the band \$130,000-\$139,999.

(One executive fell within the band \$150,000-\$159,999 and three executives fell within the band \$130,000-\$139,999 in 2011-12).

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 18: CASH FLOW INFORMATION

	Note	2013	2012
		\$	\$
(a) Reconciliation of cash and cash equivalents			
Cash at bank		6,883,759	6,684,168
Other cash on hand		7,771	7,932
Balance as per cash flow statement		6,891,530	6,692,100
(b) Reconciliation of net cash result for the period to cash flows from operating activities for the year			
Net result for the year		13,510	96,728
Non cash flows movements			
Depreciation of non-current assets		452,282	494,385
Disposal of assets		708	40,799
Changes in assets and liabilities			
(Increase) in receivable and other assets		(214,573)	(98,237)
(Increase)/decrease in stock		(3,794)	8,925
(Increase)/decrease in GST recoverable		(15,527)	16,674
Increase in trade and payables		240,668	24,796
Increase in provisions		61,494	19,635
Increase/(decrease) in venue hire and ticket sales deposits		376,180	(256,097)
Increase/(decrease) in other income received in advance		(310,972)	30,972
Net cash flows from/(used in) operating activities		599,976	378,580

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 19: PROPERTY, PLANT AND EQUIPMENT

(a) Movement in carrying amount

	Building fit-out at fair value		Venue furniture & equipment at fair value		Office furniture & equipment at fair value		Music instruments at fair value		Cultural assets at cost		Work in progress		Totals	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Opening balance	617,400	651,470	1,925,307	2,058,713	245,281	344,794	588,815	643,786	206,100	206,100	-	-	3,582,903	3,904,863
Additions	-	-	13,884	177,541	106,870	26,365	-	31,818	-	-	280,401	-	401,155	235,724
Disposals	-	-	-	(63,299)	(708)	-	-	-	-	-	-	-	(708)	(63,299)
Impairment of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expenses	(33,977)	(34,070)	(248,558)	(247,648)	(79,902)	(125,878)	(89,845)	(86,789)	-	-	-	-	(452,282)	(494,385)
Closing balance	583,423	617,400	1,690,633	1,925,307	271,541	245,281	498,970	588,815	206,100	206,100	280,401	-	3,531,068	3,582,903

(b) Across carrying amount and accumulated depreciation

	2013	2012
	\$	\$
Building fit-out	730,324	730,324
Less accumulated depreciation	(146,901)	(112,924)
Closing balance	583,423	617,400
Venue furniture and equipment	2,695,333	2,681,449
Less accumulated depreciation	(1,004,700)	(756,142)
Closing balance	1,690,633	1,925,307
Office furniture and equipment	563,298	757,690
Less accumulated depreciation	(291,757)	(512,409)
Closing balance	271,541	245,281
Music instruments	889,446	889,446
Less accumulated depreciation	(390,476)	(300,631)
Closing balance	498,970	588,815
Cultural assets	206,100	206,100
Less accumulated depreciation	-	-
Closing balance	206,100	206,100
Work in progress	280,401	-
Less accumulated depreciation	-	-
Closing balance	280,401	-
Total property, plant and equipment	3,531,068	3,582,903

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 20: FINANCIAL INSTRUMENTS

Melbourne Recital Centre's principal financial instruments comprise: cash and cash equivalents, receivables (excluding statutory receivables), payables (excluding statutory payables), and finance lease payables. Details of the significant accounting policies are disclosed in Note 1. Melbourne Recital Centre considers that the carrying amount of financial assets and liabilities recorded in the financial statements to be a fair approximation of their fair values. Melbourne Recital Centre is exposed to some financial risks: interest rate risk, credit risk and liquidity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Melbourne Recital Centre manages this risk by maintaining cash balances in accounts with whole-of-government negotiated rates to minimise the impact of fluctuation in interest rates.

Table 20.1 Interest rate exposure

	2013					2012				
	Weighted average effective interest rate	Variable Interest Rates	Noninterest-bearing	Fixed Interest rate	Total Value	Weighted average effective interest rate	Variable Interest Rates	Noninterest-bearing	Fixed Interest rate	Total Value
	%	\$	\$	\$		%	\$	\$	\$	
Financial Assets										
Cash and deposits	3.55%	6,148,864	7,771	734,895	6,891,530	4.29%	5,953,874	7,932	730,294	6,692,100
Receivables	-	-	301,151	-	301,151	-	-	125,748	-	125,748
(i) Total financial assets		6,148,864	308,922	734,895	7,192,681		5,953,874	133,680	730,294	6,817,848
Financial Liabilities										
Payables	-	-	995,979	-	995,979	-	-	754,702	-	754,702
Venue hire and tickets sales deposits	-	-	947,522	-	947,522	-	-	571,342	-	571,342
(ii) Total financial liabilities		-	1,943,501	-	1,943,501		-	1,326,044	-	1,326,044
Net financial assets		6,148,864	(1,634,579)	734,895	5,249,180		5,953,874	(1,192,364)	730,294	5,491,804

Note (i) The total financial assets are all contractual financial assets/loans and receivables.

Note (ii) The total financial liabilities are all contractual financial liabilities at amortised cost.

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

Interest rate sensitivity

A sensitivity analysis has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. At reporting date, if interest rates had moved 0.5% up or down with all other variables held constant, Melbourne Recital Centre's net surplus would move as follows:

Table 20.2 Interest rate sensitivity analysis

	2013					2012				
	Carrying amount \$	Variable Interest Rate Risk				Carrying Amount \$	Variable Interest Rate Risk			
		-0.5% (50 basis points) Net Result	Equity	0.5% (50 basis points) Net Result	Equity		-0.5% (50 basis points) Net Result	Equity	0.5% (50 basis points) Net Result	Equity
Financial assets										
Cash at bank and deposits	6,883,759	(34,419)	(34,419)	34,419	34,419	6,684,168	(33,421)	(33,421)	33,421	33,421
Cash on hand	7,771	-	-	-	-	7,932	-	-	-	-
Debtors net of provision for doubtful debts	301,151	-	-	-	-	125,748	-	-	-	-
Total financial assets	7,192,681	(34,419)	(34,419)	34,419	34,419	6,817,848	(33,421)	(33,421)	33,421	33,421
Financial liabilities										
Payables	995,979	-	-	-	-	754,702	-	-	-	-
Venue hire and tickets sales deposits	947,522	-	-	-	-	571,342	-	-	-	-
Total financial liabilities	1,943,501	-	-	-	-	1,326,044	-	-	-	-
Total net financial assets	5,249,180	(34,419)	(34,419)	34,419	34,419	5,491,804	(33,421)	(33,421)	33,421	33,421

Melbourne Recital Centre is not exposed to other market risks.

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Melbourne Recital Centre. Melbourne Recital Centre manages credit risk by dealing with counterparties of established reputations in the industry. Melbourne Recital Centre's maximum exposure to credit risk at balance date in relation to each class of financial asset is the carrying amount of those assets as indicated in the balance sheet. Melbourne Recital Centre does not have any significant concentration of credit risk on an industry, regional or country basis.

Currently Melbourne Recital Centre holds no collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date there is no event to indicate that any of the financial assets were impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing of financial assets that are past due but not impaired:

Table 20.3 Ageing analysis of financial assets

	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired				Impaired financial assets
			Less than 1 month	1-3 months	3 months-1 year	1-5 years	
2013							
Cash and deposits	6,891,530	6,891,530	-	-	-	-	-
Debtors net of provision for doubtful debts	301,151	269,718	31,433	-	-	-	-
2012							
Cash and deposits	6,692,100	6,692,100	-	-	-	-	-
Debtors net of provision for doubtful debts	125,748	89,583	36,165	-	-	-	-

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

Liquidity Risk

Liquidity risk arises from Melbourne Recital Centre being unable to meet financial obligations as they fall due. The manner in which Melbourne Recital Centre manages this risk is through the cash flow provided by the funding agreement with Arts Victoria. In 2012-13, Melbourne Recital Centre received \$3.859 million from Arts Victoria (2011-12 \$3.859 million). The following table summarises the maturity profile of Melbourne Recital Centre 's financial liabilities:

Table 20.4 Maturity analysis of financial instruments

	Maturity dates				
	Carrying amount	Less than 1 month	1-3 months	3 months-1 year	1-5 years
2013					
Cash and deposits	6,891,530	2,639,756	4,251,774	-	-
Receivables	301,151	301,151	-	-	-
Total financial assets	7,192,681	2,940,907	4,251,774	-	-
Payables	995,979	993,995	1,984	-	-
Venue hire and tickets sales deposits	947,522	722,099	139,902	85,521	-
Total financial liabilities	1,943,501	1,716,094	141,886	85,521	-
Net financial assets	5,249,180	1,224,813	4,109,888	(85,521)	-
2012					
Cash and deposits	6,692,100	2,587,561	4,104,539	-	-
Receivables	125,748	125,748	-	-	-
Total financial assets	6,817,848	2,731,309	4,104,539	-	-
Payables	754,702	662,977	91,725	-	-
Venue hire and tickets sales deposits	571,342	261,690	265,782	43,870	-
Total financial liabilities	1,326,044	924,667	357,507	43,870	-
Net financial assets	5,491,804	1,788,642	3,747,032	(43,870)	-

Note 20.5 Comparison between carrying amount and fair value

There are no material differences between balance sheet values and fair values of financial assets and financial liabilities. The Company is not materially exposed to financial risk in relation to net fair values of financial assets and liabilities.

Melbourne Recital Centre
Notes to the Financial Statements for the Financial Year Ended 30 June 2013

NOTE 21: CONTINGENT LIABILITIES AND ASSETS

At reporting date there are no contingent liabilities.

At reporting date there were contingent assets of \$344,000 being the notification of a Bequest from the Estate Beverley Shelton and Martin Schonthal.

NOTE 22: RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (\$583,363 in 2011-12).

NOTE 23: NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

	2013	2012
	\$	\$
Net gain/(loss) on disposal of property plant and equipment	(708)	(40,799)
Total net gain/(loss) on non-financial assets	(708)	(40,799)

NOTE 24: GLOSSARY OF TERMS

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Net result from transactions (net operating balance)

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is a component of the change in net worth that is due to transactions.

Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. They include gains and losses from disposals, revaluations and impairment of non-current physical assets; actuarial gains and losses arising from defined benefit superannuation plans and fair value changes of financial instruments. In simple terms, other economic flows are changes arising from market remeasurements.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and the consumer of the service provided by the asset.

Melbourne Recital Centre
Directors' Declaration

Directors' Declaration

The Directors of Melbourne Recital Centre declare that:

1. The financial statements and notes set out on pages 8 to 28 are in accordance with the *Corporations Act 2001*. They:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance of Melbourne Recital Centre for the period ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company 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 Board of Directors.

A handwritten signature in black ink that reads "K. J. Fagg". The signature is written in a cursive style with a large, looped "F" and "g".

Kathryn Fagg
Director

INDEPENDENT AUDITOR'S REPORT

To the Directors, Melbourne Recital Centre Ltd

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of Melbourne Recital Centre Ltd which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration has been audited.

The Directors' Responsibility for the Financial Report

The Directors of the Melbourne Recital Centre Ltd are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Corporations Act 2001* and *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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 audit procedures selected depend on 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, consideration is given to the internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession and the *Corporations Act 2001*. I confirm that I have given to the Directors of the company a written independence declaration, a copy of which is included in the Directors' Report.

Opinion


In my opinion, the financial report of Melbourne Recital Centre Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its financial performance for the year ended on that date
- (b) complying with Australian Accounting Standards, and the *Corporations Regulations 2001*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Melbourne Recital Centre Ltd for the year ended 30 June 2013 included both in the Melbourne Recital Centre Ltd's annual report and on the website. The Directors of Melbourne Recital Centre Ltd are responsible for the integrity of the Melbourne Recital Centre Ltd's website. I have not been engaged to report on the integrity of the Melbourne Recital Centre Ltd's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
28 August 2013


for John Doyle
Auditor-General

Melbourne Recital Centre
Disclosure Index for the Financial Year ended 30 June 2013

Ministerial Directions

Legislation	Requirement	Page Reference
<i>Report of operations - FRD Guidance</i>		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	Page 28 - Part 1
FRD 22	Objectives, functions, powers and duties	Page 28 - Part 1
FRD 22	Nature and range of services provided	Page 28 - Part 1
Management and structure		
FRD 22	Organisational structure	Page 23 - Part 1
Financial and other information		
FRD 10	Disclosure index	Page 32 - Part 2
FRD 12A	Disclosure of major contracts	N/A
FRD 15B	Executive officer disclosures	Page 21 - Part 1
FRD 22C, SD 4.2(k)	Operational and budgetary objectives and performance against objectives	Page 24 - Part 1
FRD 22	Employment and conduct principles	Page 30 - Part 1
FRD 22	Occupational health and safety policy	Page 30 - Part 1
FRD 22	Summary of the financial results for the year	Page 27 - Part 1
FRD 22	Significant changes in financial position during the year	Page 27 - Part 1
FRD 22	Major changes or factors affecting performance	Page TBC - Part 1
FRD 22	Subsequent events	Page 21 - Part 2
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	Page 29 - Part 1
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Page 31 - Part 1
FRD 22	Statement on National Competition Policy	Page 29 - Part 1
FRD 22	Application and operation of the <i>Whistleblowers Protection Act 2001</i>	Page 30 - Part 1
FRD 22	Details of consultancies over \$10,000	Page 33 - Part 1
FRD 22	Details of consultancies under \$10,000	Page 33 - Part 1
FRD 22	Disclosure of government advertising	Page 32 - Part 1
FRD 22	Statement of availability of other information	Page 29 - Part 1
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Legislation

Freedom of Information Act 1982

Building Act 1983

Whistleblowers Protection Act 2001

Protected Disclosure Act 2012

Victorian Industry Participation Policy Act 2003

Financial Management Act 1994





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