



MELBOURNE PART 2
RECITAL CENTRE
ANNUAL REPORT 2010-2011

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011



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DIRECTORS' REPORT

THE DIRECTORS PRESENT THIS REPORT ON THE MELBOURNE RECITAL CENTRE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011.

DIRECTORS

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

Kathryn Fagg (appointed 20 September 2010)

Mary Waldron (resigned 2 March 2011)

Tom Bonvino (appointed 18 September 2009)

Mary Delahunty (Hon.) (appointed 18 September 2009)

John Higgs (appointed 18 September 2009)

Julie Kantor (appointment expired 2 March 2010, reappointed 28 June 2010)

Bill McHarg (resigned 2 March 2011)

Dr Richard Mills AM (appointed 18 September 2009)

Harold Mitchell AC (appointed 18 September 2009)

Matt Zema (resigned 2 March 2011)

Directors have been in office since 1 July 2010 to the date of this report unless otherwise stated.

COMPANY SECRETARY

John Higgs held the acting 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 Ted Baillieu MP, for the State of Victoria.

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The net result from transactions was a surplus of \$415,202. A further gain of \$8,657 was as a result of disposal of assets (\$10,388) less a foreign exchange loss (\$1,731).

The overall surplus of the company amounted to \$423,859.

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 attraction.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the period Kathryn Fagg was appointed Chairman and Mary Vallentine AO was appointed as CEO.

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 period.

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.

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.

DIRECTORS' REPORT (CONTINUED)

MEETINGS OF DIRECTORS

During the financial period, 8 meetings of directors were held. Attendance by each director was as follows:

DIRECTORS' MEETINGS		
	Number eligible to attend	Number attended
Kathryn Fagg	6	5
Mary Waldron	6	5
Tom Bonvino	8	7
Mary Delahunty (Hon.)	8	5
John Higgs	8	7
Julie Kantor	8	6
Bill McHarg	6	6
Dr Richard Mills AM	8	7
Harold Mitchell AC	8	3
Matt Zema	6	5

DIRECTORS' BENEFITS

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

INSURANCE OF DIRECTORS AND OFFICERS

During the financial period \$10,931.59 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 2011 has been received and can be found on page 3 of the directors' report.

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



Director

KATHRYN FAGG

Dated this 25th day of August 2011



CEO

MARY VALLENTINE AO

Dated this 25th day of August 2011

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

To the Board Members of Melbourne Recital Centre

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 Melbourne Recital Centre for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
26 August 2011



for D D R Pearson
Auditor-General

MELBOURNE RECITAL CENTRE
 COMPREHENSIVE OPERATING STATEMENT
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	NOTES	2011	2010
		\$	\$
Income from transactions			
Government grants		4,121,800	3,847,000
Commercial Operations	2 (b)	4,353,213	2,062,056
Other income	2 (a)	720,742	639,344
Total income from transactions		9,195,755	6,548,400
Expenses from transactions			
Employee expenses	3 (a)	(3,267,558)	(2,865,171)
Finance costs		(43,582)	(25,649)
Supplies and consumables	3 (b)	(2,392,923)	(1,785,618)
Training expense		(34,591)	(27,907)
Artistic and production costs		(1,346,284)	(472,302)
Building occupancy		(826,500)	(800,330)
Auditors' remuneration	3 (c)	(30,000)	(51,639)
Legal and consultancy expense		(341,535)	(324,942)
Depreciation	19	(497,580)	(490,777)
Total expenses from transactions		(8,780,553)	(6,844,335)
Net result from transactions (net operating balance)		415,202	(295,935)
Other economic flows included in net result			
Net gain / (loss) on non financial assets	24	10,388	(54,564)
Net gain / (loss) on financial instruments, realised foreign exchange gain/loss		(1,731)	(118)
Net result		423,859	(350,617)
Other economic flows – other non-owner changes in equity		–	–
Comprehensive result – total change in net worth		423,859	(350,617)

The comprehensive operating statement should be read in conjunction with the accompanying notes on pages 8 to 25.

MELBOURNE RECITAL CENTRE
BALANCE SHEET AS AT 30 JUNE 2011

	NOTES	2011	2010
		\$	\$
Assets			
Financial assets			
Cash and deposits	4	6,526,744	5,123,781
Receivables	5	71,904	169,137
Current tax assets – GST receivable		51,314	17,131
Total financial assets		6,649,962	5,310,049
Non financial assets			
Inventories		24,318	23,867
Property, plant and equipment	19	3,904,863	4,288,045
Other non-financial assets	6	17,076	8,133
Total non-financial assets		3,946,257	4,320,045
Total assets		10,596,219	9,630,094
Liabilities			
Trade and other payables	7	729,906	697,944
Venue hire and ticket sales deposits	8	827,439	687,780
Lease liabilities	13	0	16,019
Provisions	9	512,025	125,361
Total liabilities		2,069,370	1,527,104
Net assets		8,526,849	8,102,990
Equity			
Accumulated surplus	10	5,233,013	5,034,173
Public fund	12	3,293,836	3,068,817
Net worth		8,526,849	8,102,990
Commitments for expenditure	11	–	–
Contingent liabilities and contingent assets	21	–	–

The balance sheet should be read in conjunction with the accompanying notes included in pages 8 to 25.

MELBOURNE RECITAL CENTRE
 STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

		CHANGES DUE TO		
	Notes	Equity at 1 July 2010	Total comprehensive result	Equity at 30 June 2011
Accumulated surplus / (deficit)	10	5,034,173	423,859	5,458,032
Transfer from / (to) public fund		-	(225,019)	(225,019)
Public fund	12	3,068,817	225,019	3,293,836
Total equity at end of financial year		8,102,990	423,859	8,526,849

		CHANGES DUE TO		
	Notes	Equity at 1 July 2009	Total comprehensive result	Equity at 30 June 2010
Accumulated surplus / (deficit)	10	5,778,685	(350,617)	5,428,068
Transfer from / (to) public fund		-	(393,895)	(393,895)
Public fund	12	2,674,922	393,895	3,068,817
Total equity at end of financial year		8,453,607	(350,617)	8,102,990

The statement of changes in equity should be read in conjunction with the accompanying notes on pages 8 to 25.

MELBOURNE RECITAL CENTRE
 CASH FLOW STATEMENT
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	NOTE	2011	2010
		\$	\$
Cash flows from operating activities			
Receipts			
Receipts from State Government		4,121,800	3,847,000
Receipts from customers		4,757,173	2,866,098
Receipts from insurance claim		471,497	-
Fundraising and sponsorship		207,559	466,284
Interest received		321,686	171,948
GST refunded from ATO		172,872	104,035
Total receipts		10,052,587	7,455,365
Payments			
Payments to suppliers		(5,284,692)	(4,140,086)
Payments to employees		(3,199,299)	(2,948,172)
Finance costs		(45,313)	(25,767)
Total payments		(8,529,304)	(7,114,025)
Net cash flow from / (used in) operating activities	18(b)	1,523,283	341,340
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		(130,417)	(738,358)
Receipts from disposal of assets		10,388	0
Net cash flows from / (used in) investing activities		(120,029)	(738,358)
Cash flows from financing activities			
Repayment of finance leases		(291)	(1,438)
Net cash flow from / (used in) financing activities		(291)	(1,438)
Net increase / (decrease) in cash and cash equivalents		(1,402,963)	(223,750)
Cash and cash equivalents at beginning of financial year		5,123,781	5,522,237
Cash and cash equivalents at end of financial year	4, 18(a)	6,526,744	5,123,781

The cash flow statement should be read in conjunction with the accompanying notes on pages 8 to 25.

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 including interpretations (AASs) and the *Corporations Act 2001*, AASs include Australian equivalents to International Financial Reporting Standards. 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 the 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 the Melbourne Recital Centre (MRC) as an individual reporting entity. The MRC 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 2011 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 principle place of business is:
Melbourne Recital Centre
31 Sturt Street
Southbank 3006

(D) SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

The Melbourne Recital Centre has applied the September 2007 version of AAS 101.–*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 and as the consumer of the service provided by the asset.

Other economic flows are changes arising from market re-measurements. 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.

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 the Melbourne Recital Centre and the income can be reliably measured.

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

Fundraising and sponsorship are recognised as revenue when received.

Interest revenue and distribution income from investments is 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 plans and defined contributions (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 the Melbourne Recital Centre commencing from the time the asset is held ready for use.

The useful life for each class of depreciable assets are:

CLASS OF ASSET	USEFUL LIFE	
	2011	2010
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
Motor vehicles	5–6 years	5–6 years

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 realizable 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; except for financial assets refer Note 20.3.

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 the Melbourne Recital Centre prior to the end of the financial year that are unpaid, and arise when the Melbourne Recital Centre becomes obliged to make future payments in respect of the purchase of those goods and services.

PROVISIONS

Provisions are recognised when the 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 and 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 the 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 the 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.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Melbourne Recital Centre are classified as finance leases.

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum lease payments are allocated between the principal component of the lease liability, and the interest expense calculated using the interest rate implicit in the lease, and charged directly to the operating statement.

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 the 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.

(R) PUBLIC FUND

The 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 there from including interest, income or money from the realisation of property are paid. The Public Fund is only used to further the 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 the 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; and gifts to which can be deducted under Subdivision 30-B due to it being listed on the register of cultural organisations, as the members of the Melbourne Recital Centre decide.

(S) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Melbourne Recital Centre adopted AASB101 *Presentation of Financial Statements (September 2007)* for the first time. The impact of this adoption has been noted in Note 1(b).

As at 30 June 2011 a number of standards and interpretations applicable to the Melbourne Recital Centre had been issued but were not mandatory for financial years ending 30 June 2011. The Melbourne Recital Centre has not, and does not intend to adopt these standards early.

NOTE 2: INCOME FROM TRANSACTIONS

	2011	2010
	\$	\$
Fundraising and sponsorship	207,559	466,284
Interest received	321,686	171,948
Other income	191,497	1,112
(a) Total other income	720,742	639,344
Artistic Programming	1,975,095	421,170
Venue Hire	1,437,048	1,125,316
Commercial Activities	941,070	515,570
(b) Total commercial operations	4,353,213	2,062,056

NOTE 3: EXPENSES FROM TRANSACTIONS

	2011	2010
	\$	\$
Employee expenses		
Salaries, wages and long service leave	3,014,931	2,630,998
Defined contribution superannuation plans	252,627	234,173
(a) Total employee expenses	3,267,588	2,865,171
Marketing and Promotion	1,272,011	980,473
Information Technology	394,309	266,192
Other supplies and consumables	726,603	538,953
(b) Total supplies and consumables	2,392,923	1,785,618
Auditors' remuneration		
External audit services (Victorian Auditor-General's Office)	30,000	29,500
Internal audit services	0	22,139
(c) Total auditors' remuneration	30,000	51,639

NOTE 4: CASH AND DEPOSITS

	2011	2010
	\$	\$
Cash at bank – trading accounts	1,352,513	973,429
Cash at bank – public fund	3,268,848	3,069,992
Cash at bank – venue hire and ticket sales deposit accounts	1,578,119	777,591
Cash on hand	31,970	7,475
Cash on short term deposits	295,294	295,294
Total cash and deposits	6,526,744	5,123,781

NOTE 5: RECEIVABLES

	2011	2010
	\$	\$
Current trade debtors (contractual)	71,904	173,732
Less provision for doubtful debts	-	(4,595)
Total receivables	71,904	169,137

(a) Movement in provision for doubtful debts

	2011	2010
	\$	\$
Balance at beginning of the year	4,595	8,045
Increase / (decrease) in provision recognised in the net result	(4,595)	(3,450)
Balance at end of the year	-	4,595

(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

	2011	2010
	\$	\$
Security deposit	800	800
Prepayments	16,276	7,333
Total other current assets	17,076	8,133

NOTE 7: TRADE AND OTHER PAYABLES

	2011	2010
	\$	\$
Current trade payables (contractual)	523,732	511,565
Employee benefits	206,174	186,379
Total Payables	729,906	697,944

(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

	2011	2010
	\$	\$
Venue hire deposits	205,701	289,394
Ticket sales deposits	621,738	398,386
Total venue hire and ticket sales deposits held	827,349	687,780

NOTE 9: PROVISIONS

	2011	2010
	\$	\$
Current		
Employee benefits – annual leave entitlements – unconditional	126,565	97,289
Employee benefits – long service leave entitlements – unconditional	3,108	–
Provision related to employee benefits on costs	13,102	9,108
Other provisions	338,200	–
Total current provisions	480,975	106,397
Non-Current		
Employee benefits – conditional long service leave entitlements	27,973	17,085
Provision related to employee benefits on costs	3,077	1,879
Total non-current provisions	31,050	18,964
Total provisions	512,025	125,361
Balance at beginning of the year	125,361	183,007
Increase / (decrease) in provision recognised in the net result	386,664	(57,646)
Balance at end of the year	512,025	125,361

NOTE 10: STATEMENT IN CHANGES IN EQUITY

The surplus of \$225,019 (\$393,895 in 2009-10) attributable to the Public Fund has been transferred from the accumulated surplus / (deficit) to the Public Fund.

NOTE 11: COMMITMENTS FOR EXPENDITURE

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

	2011	2010
	\$	\$
Expenditure commitments payable (these relate to non-cancellable contracts for information technology contractor, and for equipment hire):		
Not later than one year	129,799	111,188
Later than one year but not later than five years	1,278	8,971
Total expenditure commitments	131,077	120,159
Total commitments for expenditure (inclusive of GST)	131,077	120,159
Less GST recoverable from the Australian Taxation Office	(11,916)	(10,923)
Total commitments for expenditure (exclusive of GST)	119,161	109,236

Finance lease commitments are disclosed in note 13.

NOTE 12: PUBLIC FUND

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011	2010
		\$	\$
Revenue			
Fundraising and private donations		57,559	316,284
Interest		188,851	91,111
Total revenue		246,410	407,395
Expenses			
Music commission		21,391	13,500
Total expenses		21,391	13,500
Net surplus for the year		225,019	393,895

BALANCE SHEET AS AT 30 JUNE 2011

	NOTE	2011	2010
		\$	\$
Assets			
Cash and deposits		3,268,848	3,069,992
Other current assets		24,988	325
Total current assets		3,293,836	3,070,317
Total assets		3,293,836	3,070,317
Liabilities			
Share the Music		0	1,500
Total liabilities		0	1,500
Net assets		3,293,836	3,068,817
Equity			
Public fund		3,293,836	3,068,817
Total equity		3,293,836	3,068,817

NOTE 13: LEASES

	2011	2011	2010	2010
	Minimum future lease payments	Present value of minimum future lease payments	Minimum future lease payments	Present value of minimum future lease payments
Finance lease liabilities payable				
– Not longer than one year	–	–	16,310	16,019
Minimum future lease payments	–	–	–	16,019
– Less future finance charges	–	–	16,310	–
Present value of minimum lease payments	–	–	(291)	–
– Lease liabilities – current	–	–	16,019	16,019
– Lease liabilities – non-current	–	–	–	–

Finance lease relates to a motor vehicle lease.

NOTE 14: EVENTS AFTER THE BALANCE DATE

Since 30 June 2011, 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:

Minister for the Arts The Hon. Peter Batchelor MP (1 July 2010 – 1 December 2010)
 Minister for the Arts The Hon. Ted Baillieu MP (2 December 2010 – 30 June 2011)

Amounts relating to the Minister's 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 2013
Mary Waldron (Acting Chair from 3 June 2010 until 20 September 2010)	1 July 2009	2 March 2011
Tom Bonvino	18 September 2009	2 March 2012
Mary Delahunty (Hon.)	18 September 2009	2 March 2012
John Higgs	18 September 2009	2 March 2012
Julie Kantor	28 June 2010	2 March 2012
Bill McHarg	1 July 2009	2 March 2011
Dr Richard Mills AM	18 September 2009	2 March 2012
Harold Mitchell AC	18 September 2009	2 March 2012
Matt Zema	1 July 2009	2 March 2011

ACCOUNTABLE OFFICER

Kirsten Siddle 1 July 2010 to 19 September 2010

Mary Vallentine AO 20 September 2010 to 30 June 2011

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

1 July 2010 to 19 September 2010 \$30,000–\$39,999 (\$50,000–\$59,999 in 2009–10).

20 September 2010 to 30 June 2011 \$160,000–\$169,999

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 the Melbourne Recital Centre is \$526,536 (\$435,149 in 2009–10).

Only one executive's remuneration exceeded \$100,000 and fell within the band \$120,000–\$129,999. (The remuneration of all individual executives was below \$100,000 in 2009–10).

NOTE 18: CASH FLOW INFORMATION

	NOTE	2011	2010
		\$	\$
a. Reconciliation of cash and cash equivalents			
Cash at bank		6,494,774	5,116,306
Other cash on hand		31,970	7,475
Balance as per cash flow statement		6,526,744	5,123,781
b. Reconciliation of net cash result for the period to cash flows from operating activities for the year			
Net result for the year		423,859	(350,617)
Non cash flows movements			
Depreciation of non-current assets		497,580	490,777
Impairment of non-financial assets		–	54,564
Changes in assets and liabilities			
(Increase) / decrease in receivable and other assets		77,902	131,616
(Increase) / decrease in stock		(451)	23,435
(Increase) / decrease in GST recoverable		(34,183)	92,089
Increase / (decrease) in trade and payables		32,253	(359,571)
Increase / (decrease) in provisions		386,664	(57,646)
Increase in venue hire and ticket sales deposits		139,659	316,693
Net cash flows from / (used in) operating activities		1,523,283	341,340

MELBOURNE RECITAL CENTRE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 19: PROPERTY, PLANT AND EQUIPMENT

(A) MOVEMENT IN CARRYING AMOUNT

	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	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		Finance leased motor vehicles at fair value		Totals	
Opening balance	663,628	609,475	2,275,198	1,932,346	442,416	493,856	684,824	837,677	206,100	206,100	15,879	21,340	4,288,045	4,100,794
Additions	21,008	86,565	25,066	561,826	40,215	81,067	42,618	3,134	-	-	-	-	128,907	732,592
Disposals	-	-	-	-	-	-	-	-	-	-	(14,509)	-	(14,509)	-
Impairment of assets	-	-	-	-	-	-	-	54,564	-	-	-	-	-	54,564
Depreciation expenses	(33,166)	(32,412)	(241,551)	(218,974)	(137,837)	(132,507)	(83,656)	(101,423)	-	-	(1,370)	(5,461)	(497,580)	(490,777)
Closing balance	651,470	663,628	2,058,713	2,275,198	344,794	442,416	643,786	684,824	206,100	206,100	-	15,879	3,904,863	4,288,045

(B) ACROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

	2011	2010
	\$	\$
Building fit out	730,324	709,316
Less accumulated depreciation	(78,854)	(45,688)
Closing balance	651,470	663,628
Venue furniture and equipment	2,591,357	2,566,291
Less accumulated depreciation	(532,644)	(291,093)
Closing balance	2,058,713	2,275,198
Office furniture and equipment	731,325	691,110
Less accumulated depreciation	(386,531)	(248,694)
Closing balance	344,794	442,416
Music instruments	857,628	815,010
Less accumulated depreciation	(213,842)	(130,186)
Closing balance	643,786	684,824
Cultural assets	206,100	206,100
Less accumulated depreciation	-	-
Closing balance	206,100	206,100
Motor vehicles	-	30,895
Less accumulated depreciation	-	(15,016)
Closing balance	-	15,879
Total property, plant and equipment	3,904,863	4,288,045

NOTE 20: FINANCIAL INSTRUMENTS

The 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. The 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. The 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 the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The 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

	2011	2011	2011	2011	2011	2010	2010	2010	2010	2010
	Weighted average effective interest rate %	Variable Interest Rates \$	Non-interest bearing \$	Fixed Interest rate \$	Total Value \$	Weighted average effective interest rate %	Variable Interest Rates \$	Non-interest bearing \$	Fixed Interest rate \$	Total Value \$
Financial Assets										
Cash and deposits	5.02%	3,011,322	31,970	3,483,452	6,526,744	4.92%	1,821,012	7,475	3,295,294	5,123,781
Receivables	-	-	71,904	-	71,904	-	-	169,137	-	169,137
(I) Total financial assets	-	3,011,322	103,874	3,483,452	6,598,648	-	1,821,012	176,612	3,295,294	5,292,918
Financial Liabilities										
Payables	-	-	729,906	-	729,906	-	-	697,944	-	697,944
Venue hire and tickets sales deposits	-	-	827,439	-	827,439	-	-	687,780	-	687,780
Lease liabilities	-	-	-	-	-	7.50%	-	-	16,019	16,019
(II) Total financial liabilities	-	-	1,557,345	-	1,557,345	-	-	1,385,724	16,019	1,401,743
Net financial assets	-	3,011,322	(1,453,471)	3,483,452	5,041,303	-	1,821,012	(1,209,112)	3,279,275	3,891,175

Note (i) The total financial assets are all contractual financial assets-loans and receivable

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 2011

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, the Melbourne Recital Centre's net surplus would move as follows:

TABLE 20.2 INTEREST RATE SENSITIVITY ANALYSIS

	2011					2010				
	Variable Interest Rate Risk					Variable Interest Rate Risk				
	Carrying Amount \$	-0.5% (50 basis points) Net Result	Equity	0.5% (50 basis points) Net Result	Equity	Carrying Amount \$	-0.5% (50 basis points) Net Result	Equity	0.5% (50 basis points) Net Result	Equity
Financial assets										
Cash at bank and deposits	6,494,774	(32,474)	(32,474)	32,474	32,474	5,116,306	(25,582)	(25,582)	25,582	25,582
Cash on hand	31,970	-	-	-	-	7,475	-	-	-	-
Debtors net of provision for doubtful debts	71,904	-	-	-	-	169,637	-	-	-	-
Total financial assets	6,598,648	(32,474)	(32,474)	32,474	32,474	5,293,418	(25,582)	(25,582)	25,582	25,582
Financial liabilities										
Payables	729,906	-	-	-	-	697,944	-	-	-	-
Venue hire and tickets sales deposits	827,439	-	-	-	-	687,780	-	-	-	-
Lease liabilities	-	-	-	-	-	16,019	-	-	-	-
Total financial liabilities	1,557,345	-	-	-	-	1,401,743	-	-	-	-
Total net financial assets	5,041,303	(32,474)	(32,474)	32,474	32,474	3,891,675	(25,582)	(25,582)	25,582	25,582

The Melbourne Recital Centre is not exposed to other market risks.

CREDIT RISK

Credit risk refers to the risk a counterparty will default on its contractual obligations resulting in financial loss to the Melbourne Recital Centre. The Melbourne Recital Centre manages credit risk by dealing with counterparties of established reputations in the industry. The 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. The Melbourne Recital Centre does not have any significant concentration of credit risk on an industry, regional or country basis.

Currently the Melbourne Recital Centre does not hold any 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	
2011 Cash and deposits	6,526,744	6,526,744	-	-	-	-	-
Debtors net of provision for doubtful debts	71,904	44,546	11,295	16,063	-	-	-
2010 Cash and deposits	5,123,781	5,123,781	-	-	-	-	-
Debtors net of provision for doubtful debts	169,137	98,052	67,245	3,840	-	-	4,959

LIQUIDITY RISK

Liquidity risk arises from the Melbourne Recital Centre being unable to meet financial obligations as they fall due. The manner in which the Melbourne Recital Centre manages this risk is through the cash flow provided by the funding agreement with Arts Victoria. In 2010/11 the Melbourne Recital Centre received \$4.1218 million from Arts Victoria (2009/10 \$3.847 million). The following table summarises the maturity profile of the Melbourne Recital Centre's financial liabilities:

TABLE 20. 4 MATURITY ANALYSIS OF FINANCIAL LIABILITIES

	Carrying amount	MATURITY DATES			
		Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2011					
Payables	729,906	725,091	4,815	-	-
Venue hire and tickets sales deposits	827,439	450,208	336,771	40,460	-
Lease liabilities	-	-	-	-	-
Total payables	1,557,345	1,175,299	341,586	40,460	-
2010					
Payables	697,944	676,909	21,035	-	-
Venue hire and tickets sales deposits	687,780	271,915	247,625	168,240	-
Lease liabilities	16,019	500	15,519	-	-
Total payables	1,401,743	949,324	284,179	168,240	-

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.

NOTE 21: CONTINGENT LIABILITIES AND ASSETS

At reporting date there are no contingent liabilities or contingent assets.

NOTE 22: RELATED PARTY TRANSACTIONS

Payments were made during the year for advertising to media companies via Mitchell Communication Group, an entity associated with Mr H. Mitchell. Mr H. Mitchell did not receive any direct benefit from these advertising payments to media companies. Mitchell Communication Group was appointed sole provider of advertising services under the Victorian whole of Government Master Agency Agreement Services contract on 1 September 2006. Mitchell Communication Group received \$475,878 (\$445,577 in 2009-10) through service fees on advertising made by Melbourne Recital Centre.

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

Net gain / (loss) on non-financial assets

	2011	2010
	\$	\$
Impairment of property plant and equipment	-	(54,564)
Net gain on disposal of property plant and equipment	10,388	-
Total net gain/(loss) on non-financial assets	10,388	(54,564)

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. It includes 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 re-measurements.

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.

DIRECTORS' DECLARATION

The Directors of Melbourne Recital Centre declare that:

1. The financial statements and notes set out on page 8 to 25 are in accordance with the Corporations Act 2001
 - 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 2011 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.



Kathryn Fagg
Director

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Melbourne Recital Centre

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of the Melbourne Recital Centre which comprises the 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 Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

As required by the *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 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 the accounting policies used and the reasonableness of accounting estimates made by the Board, 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.

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.

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Melbourne Recital Centre as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Corporations Act 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 for the year ended 30 June 2011 included both in the Melbourne Recital Centre's annual report and on the website. The Board Members of the Melbourne Recital Centre are responsible for the integrity of the Melbourne Recital Centre's website. I have not been engaged to report on the integrity of the Melbourne Recital Centre'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
26 August 2011



for D D R Pearson
Auditor-General

MELBOURNE RECITAL CENTRE
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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

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Other Disclosures in notes to the Financial Statements		
FRD 9A	Departmental disclosure of administered assets and liabilities	N/A
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LEGISLATION

Financial Management Act 1994

Audit Act 1994

Whistleblowers Protection Act 2001

Victorian Industry Participation Policy Act 2003

Multicultural Victoria Act 2004



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**ARTS
VICTORIA**

