



**Australian Government**  
**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

**Ref: FR2008/501-[129V]**

Mr Christopher Warren  
Federal Secretary  
Media, Entertainment and Arts Alliance  
PO Box 723  
STRAWBERRY HILLS NSW 2012

Dear Mr Warren

**Re: Financial Return - year ending 30 June, 2008  
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed reporting unit under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 30 June, 2008.

The legislative scheme set out in Chapter 8, Part 3 of the RAO Schedule is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members. A copy of the time-scale provisions is attached for your information.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. We recommend you and your accountant/auditor refer to the following documents on the Commission's website where a new site has been created dealing with:

- RAO Fact sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.
- Financial Reporting Sample Documents – Sample Committee of Management's Statement, Designated Officer's Certificate and checklists for illustrative purposes.
- Registrar's Reporting Guidelines - The GPFR must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- RAO Schedule and RAO Regulations

You can access these documents at: <http://www.airc.gov.au/registered/FR/information.htm>.

The Registry strongly encourages your organisation to lodge documents electronically by either:

- Sending an email with the documents attached to: [orgs@air.gov.au](mailto:orgs@air.gov.au)
- Sending the documents by fax to: (03) 9655 0410

We encourage you to contact the Registry on (02) 8374 6507 or by e-mail at [steve.teece@air.gov.au](mailto:steve.teece@air.gov.au) as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely

Steve Teece  
(02) 8374 6507  
10 July, 2008

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) The Designated Officer must sign and date the Committee of Management Statement which is then forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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Within a reasonable time of having received the GPFR  
(NB: Auditor's report must be dated on or after date of Committee of Management Statement

Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /
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(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,  
 or  
 (b) in any other case including where the report is presented to a Committee of Management meeting\*, the report must be provided to members within 5 months of end of financial year.

Present full report to:	
(a) General Meeting of Members - s266 (1),(2); or	/ /
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report in the Industrial Registry, together with the Designated Officer's certificate – s268 #	/ /
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Within 14 days of meeting

\* The full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the certificate stating that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. A non-elected official is not allowed to sign the certificate.

5 January 2009



Industrial Registrar  
Australian Industrial Registry  
80 William Street  
East Sydney NSW

ABN: 84 054 775 598

FEDERAL OFFICE  
245 Chalmers Street  
Redfern NSW 2016  
P.O. Box 723  
Strawberry Hills, NSW 2012  
Australia  
Tel: (61) 2 9333 0999  
Fax: (61) 2 9333 0933  
Email: federal@alliance.org.au  
Website: www.alliance.org.au

Dear Registrar,

**Re: Financial Documents for Media, Entertainment & Arts Alliance.**

Alliance Inquiry Desk  
1300 65 65 12

Alliance Membership Centre  
1300 65 65 13

FEDERAL PRESIDENT  
Patricia Amphlett

FEDERAL SECRETARY  
Christopher Warren

Please find enclosed the Annual Report "Full Operating Report" for the Media, Entertainment & Arts Alliance, for the financial year ended 30 June 2008 and the Secretary's certificate.

Yours sincerely  
**Media, Entertainment & Arts Alliance**



**CERTIFICATE OF SECRETARY**  
s268 of Schedule 1 *Workplace Relations Act 1996*

I, Mark Ryan, being the Acting Federal Secretary of the Media, Entertainment & Arts Alliance certify:

- That the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule;
- That the full report was provided to members on 7th October 2008; and
- That the full report was presented to a meeting of the Federal Executive of the Media, Entertainment & Arts Alliance on 28 November 2008 in accordance with section 266 of the RAO Schedule.

  
\_\_\_\_\_  
Mark Ryan

Dated: \_\_\_\_\_

5/1/09

**FINANCE REPORT**

The Alliance finished the financial year in a strong position which enabled us to launch the Fighting Fund with \$250,000 to help members affected by industrial or other action.

This was on the back of a \$775,000 surplus with a turnover of almost \$11 million.

These strong results were made possible through a continued control on costs, a focus on recruiting new members and encouraging existing members to remain financial.

Income from membership fees rose across all major sections for the first time. It went up about 6.7 per cent to just under \$8 million. The bulk of the remaining income came from the Walkley and Equity Foundations.

Expenditure by the Alliance was broadly in line with budget.

As always, staff were the major cost. Salaries and related on-costs for staff were in line with the policy of keeping salary costs less than half income. This year, they totalled 46.3 per cent. Staff salaries were adjusted during the year in line with rises negotiated in Alliance collective agreements and through individual merit assessments.

At the end of the financial year, the Alliance employed 77 staff either full time or part-time. This was equivalent to 71.4 full-time staff.

Salaries paid to officers and staff inclusive of superannuation fell into the following bands:

	Staff	Officers	2006-2007
Under \$20,000	11	0	15
\$20,000-\$30,000	8	0	7
\$30,000-\$40,000	9	0	6
\$40,000-\$50,000	6	0	5
\$50,000-\$60,000	11	0	12
\$60,000-\$70,000	6	0	8
\$70,000-\$80,000	9	1	7
\$80,000-\$90,000	8	3	7
\$90,000-\$100,000	0	1	1
\$100,000-\$110,000	1	0	1
\$110,000-\$120,000	0	3	3
	69	8	72

Campaigns were a significant expenditure, especially the fight to protect members against the industrial relations law. The Alliance also allocated funding to sustain our new branch in New Zealand to organise performers.

We committed funding support to the Future of Journalism project and this will continue through the coming financial year. We also funded a campaign around Australian content and film financing.

Affiliation costs remained high, partly as a result of the continued levies to the ACTU and state labour councils to fund their campaigns against WorkChoices. These are not continuing in the new financial year.

Legal fees were less than previous years, at about \$95,000. However, we can expect that continued employer attacks on rights at work will see this fall reversed.

The previous Fighting Fund Reserve has been renamed the Stability Reserve to more accurately reflect its purpose and has been capped at its target of \$1 million.

The new Fighting Fund launched by Federal Council is to be funded out of recurrent surpluses. At June 30, the fund had reached about \$254,000 and is on target to reach at least \$400,000 by the end of this financial year. We are continuing to set aside real provision for staff entitlements for long service leave and annual leave. At the end of the financial year, we had made real provision of about \$580,000 against a book provision of about \$908,000.

We are continuing to pay down the mortgage on our properties. At the end of the financial year, there was about \$2.36 million outstanding, balanced by property in Sydney, Melbourne and Adelaide worth about \$6 million.

The Alliance is setting aside 4 per cent of fee income each year to pay down the mortgage with the goal of being debt free within seven years.

**FEDERAL SECRETARY'S REPORT**

On 22 September 2008 the Committee of Management of the Media Entertainment Arts & Alliance (the "Alliance") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2008:

The Committee of Management declares in relation to the GPFR that in its opinion:

- the financial statements and notes comply with the reporting guidelines of the Australian Accounting Standards;
- the financial statements and notes comply with the reporting guidelines of the Industrial Registrar

- the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable;

(e) during the financial year to which the GPFR relates and since the end of the year;

- meetings of the committee of management were held in accordance with the rules of the organisation including the rule of a branch concerned; and
- the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned.
- the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
- the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
- there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

**Significant change in State of Affairs**

There has been no significant change in the Alliance's financial affairs or state of affairs during or since the end of the financial year.

**Events After Balance Sheet Date**

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

**For Committee of Management:**

Christopher Warren  
 Title of Office held: Federal Secretary  
 Dated this 22nd day of September 2008

**AUDITOR'S INDEPENDENCE DECLARATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

- no contraventions of the auditor independence in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

WHK HORWATH SYDNEY  
 Leah Russell  
 Principal  
 Dated this 22nd day of September 2008

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE MEDIA, ENTERTAINMENT & ARTS ALLIANCE**

**Scope**

The financial report and the Federal Committee's responsibility

The financial report comprises the Federal Secretary's report, income statement, balance sheet, statement of changes in equity, notes to the financial statements and the Federal Secretary's declaration for the Media Entertainment & Arts Alliance for the year ended the 30 June 2008.

The officers of the Alliance are responsible for the preparation and true and fair presentation of the financial report in accordance with the Rules of the Media Entertainment and Arts Alliance and the Workplace Relations Act. This includes the responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the Alliance. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material mis-statement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material mis-statements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Alliance's Rules and the Workplace Relations Act, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Alliance's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and

- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Independence**

In conducting our audit, we followed the applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act.

**Audit Opinion**

In our opinion, the financial report of the Media Entertainment & Arts Alliance is in accordance with:

(a) the Workplace Relations Act, including:

- giving a true and fair view of the Alliance's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- complying with Accounting Standards in Australia and the Workplace Relations Act; and

(b) the financial report also complies with Australian equivalents International Financial Reporting Standards.

WHK HORWATH SYDNEY  
 Leah Russell  
 Principal  
 Dated this 22nd day of September 2008

	2008-2009 Budget	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
	\$	\$	\$	\$	\$	\$	\$	\$
Total income	11,027,000	10,706,162	9,913,677	9,010,401	7,655,953	7,773,560	7,113,710	6,471,782
Total costs	(10,587,000)	(9,931,254)	(9,470,269)	(8,753,424)	(7,394,694)	(6,955,713)	(7,058,532)	(6,206,993)
Surplus to Retained Earnings	440,000	774,908	443,408	256,977	261,259	817,847	55,178	264,789
Stability Reserve	1,000,000	1,000,000	1,017,514	958,496	725,237	519,954	323,497	160,997
Fighting Fund Reserve	400,000	254,905	0	0	0	0	0	0

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$	2007 \$
<b>REVENUE</b>			
Revenue from ordinary activities	2	10,635,690	9,793,214
<b>DIRECT COSTS</b>			
Depreciation and amortisation	3	(378,384)	(399,227)
Finance costs	3	(245,060)	(249,487)
Employee costs		(5,410,911)	(4,982,305)
Site costs		(495,807)	(427,069)
Affiliation fees	3	(287,633)	(279,133)
Printing and postage		(343,643)	(340,966)
Telephone		(167,116)	(151,151)
Magazines		(494,968)	(457,825)
Repairs and maintenance		(413,650)	(436,287)
Travel		(367,060)	(285,266)
Special events		(683,360)	(710,354)
Other expenses from ordinary activities		(573,190)	(630,736)
<b>Total direct costs</b>		<b>9,860,782</b>	<b>9,349,806</b>
<b>Net Surplus</b>		<b>774,908</b>	<b>443,408</b>

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

<b>Cash from operating activities:</b>			
Receipts from members and sponsors		10,874,134	10,118,748
Payments to suppliers and employees		(10,004,741)	(9,019,147)
Interest received		488,706	333,975
Finance costs		(245,060)	(234,372)
<b>Net cash provided by operating activities</b>	14	<b>1,113,039</b>	<b>1,199,204</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property, equipment and vehicles	9	(504,094)	(1,624,511)
<b>Net cash used in investing activities</b>		<b>(504,094)</b>	<b>(1,624,511)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings			1,422,500
Repayment of borrowings		(569,333)	(489,500)
<b>Net cash (used in)/provided by financing activities</b>		<b>(569,333)</b>	<b>933,000</b>
<b>Net increase in cash held</b>		<b>39,612</b>	<b>507,693</b>
Cash and cash equivalents at beginning of year	5	2,171,658	1,663,965
<b>Cash at end of financial year</b>	5	<b>2,211,270</b>	<b>2,171,658</b>

BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008 \$	2007 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,211,270	2,171,658
Trade and other receivables	6	552,605	444,333
Other current assets	7	276,957	248,717
<b>Total current assets</b>		<b>3,040,832</b>	<b>2,864,708</b>
<b>Non-current assets</b>			
Financial assets	8	12,476	12,470
Property, equipment and vehicles	9	5,071,301	4,950,143
<b>Total non-current assets</b>		<b>5,083,777</b>	<b>4,962,613</b>
<b>TOTAL ASSETS</b>		<b>8,124,609</b>	<b>7,827,321</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	946,796	858,627
Short-term borrowings	11	200,000	200,000
Provisions	12	896,843	768,244
Other current liabilities	13	481,470	599,650
<b>Total current liabilities</b>		<b>2,525,109</b>	<b>2,426,521</b>
<b>Non-current liabilities</b>			
Long-term borrowings	11	2,161,167	2,730,500
Provisions	12	10,742	17,617
<b>Total non-current liabilities</b>		<b>2,171,909</b>	<b>2,748,117</b>
<b>TOTAL LIABILITIES</b>		<b>4,697,018</b>	<b>5,174,638</b>
<b>NET ASSETS</b>		<b>3,427,591</b>	<b>2,652,683</b>
<b>EQUITY</b>			
Reserves		2,254,140	1,846,834
Retained earnings		1,173,451	805,849
<b>TOTAL EQUITY</b>		<b>3,427,591</b>	<b>2,652,683</b>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Note	Stability Reserve (formerly Fighting Fund)	Fighting Fund Reserve	Equity Foundation Reserve	SOMA Reserve	Walkley Awards Reserve	Western Australian Journalist Reserve	Campaign Reserve	Special Projects Reserve	Retained Earnings	Total
<b>2008</b>		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2007		1,017,514	-	312,817	19,491	360,559	-	116,453	20,000	805,849	2,652,683
Net surplus attributable to members of the entity		-	-	-	-	-	-	-	-	774,908	774,908
Transfers to and from reserves											
- Stability Reserve		61,928	-	-	-	-	-	-	-	(61,928)	
- Fighting Fund Reserve		-	175,463	-	-	-	-	-	-	(175,463)	
- Interest from Stability Reserve transferred to Fighting Fund Reserve		(79,442)	79,442	-	-	-	-	-	-		
- Equity Foundation Reserve		-	-	49,737	-	-	-	-	-	(49,737)	
- Walkley Awards Reserve		-	-	-	-	778	-	-	-	(778)	
- Western Australia Journalists Reserve		-	-	-	-	-	54,400	-	-	(54,400)	
- Campaign Reserve		-	-	-	-	-	-	85,000	-	(85,000)	
- Special Projects Reserve		-	-	-	-	-	-	-	(20,000)	20,000	
<b>Balance at 30 June 2008</b>		<b>1,000,000</b>	<b>254,905</b>	<b>362,554</b>	<b>19,491</b>	<b>361,337</b>	<b>54,400</b>	<b>201,453</b>	<b>20,000</b>	<b>1,173,451</b>	<b>3,427,591</b>

	Note	Stability Reserve (formerly Fighting Fund)	Equity Foundation Reserve	SOMA Reserve	Walkley Awards Reserve	General Reserve	Campaign Reserve	Special Projects Reserve	Retained Earnings	Total
<b>2007</b>		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2006		958,496	450,674	40,313	191,474	13,220	66,453	-	488,645	2,209,275
Net surplus attributable to members of the entity		-	-	-	-	-	-	-	443,408	443,408
Transfers to and from reserves										
- Stability Reserve		59,018	-	-	-	-	-	-	(59,018)	
- Equity Foundation Reserve		-	(137,857)	-	-	-	-	-	137,857	
- Walkley Awards Reserve		-	-	-	169,085	-	-	-	(169,085)	
- General Reserve		-	-	-	-	(13,220)	-	-	13,220	
- Campaign Reserve		-	-	-	-	-	50,000	-	(50,000)	
- SOMA Reserve		-	-	(20,822)	-	-	-	-	20,822	
- Special Projects Reserve		-	-	-	-	-	-	(20,000)	20,000	
<b>Balance at 30 June 2007</b>		<b>1,017,514</b>	<b>312,817</b>	<b>19,491</b>	<b>360,559</b>	<b>116,453</b>	<b>20,000</b>	<b>20,000</b>	<b>805,849</b>	<b>2,652,683</b>

**1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Board and section 253 and section 270 of the Workcover Relations Amendments (Registration and Accountability of Organisation) Act, 2002.

The Media Entertainment & Arts Alliance is an entity created under the Workplace Relations Act, registered and domiciled in Australia.

The financial report of Media Entertainment & Arts Alliance complies with the Australian equivalents to International Financial Reporting Standards (AIFRS) as they relate to a not-for-profit entity.

The following is a summary of the material accounting policies adopted by the Media Entertainment & Arts Alliance in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation**

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs and modified by the revaluation of selected noncurrent assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

**(a) Property, Equipment and Vehicles**

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

**Property**

Freehold land and buildings are measured at cost or fair value less, where applicable any accumulated depreciation and impairment losses.

In the opinion of the Committee of Management, the carrying value of land and buildings does not exceed recoverable amounts.

**Equipment and Motor Vehicles**

Equipment and motor vehicles are measured on the cost basis less depreciation and impairment losses.

The carrying amount of equipment and motor vehicles is reviewed annually by the Federal Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the depreciated replacement cost of the asset or net cash flows that will be received from the assets' subsequent disposal.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Media Entertainment & Arts Alliance commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5%
Equipment and Motor Vehicles	10-30%

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

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

**(b) Impairment of Assets**

At each reporting date, the Alliance reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Alliance estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(c) Financial Instruments**

**Classification**

The Alliance classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

**Recognition and derecognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Alliance has transferred substantially all the risks and rewards of ownership. Subsequent to initial recognition, these instruments are measured as set out below.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Available-for-sale financial assets**

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments.

Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the Media Entertainment & Arts Alliance assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered in order to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**(e) Employee Benefits**

Provision is made for the Alliance's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

**(f) Provisions**

Provisions are recognised when the Alliance has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(g) Revenue**

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

Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet until expended.

Membership subscription income has been accounted for on a mix of cash and accruals basis. Membership subscriptions outstanding at balance sheet date have been brought to account as receivables where subscriptions are paid by the members' employers through salary deductions. All other membership subscriptions due to be paid are recognised when received. Membership income is deemed earned in the year to which it relates. Membership subscriptions relating to the unexpired part of the membership year are deferred and recognised as income in the next financial year. Interest revenue is recognised when received.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office or the New Zealand Inland Revenue. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(i) Income Tax**

The Alliance is an income tax exempt entity under item 1.7 section 50-5 of the Income Tax Assessment Act 1997.

**(j) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Alliance prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(k) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Alliance has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**(l) Foreign Currency Transactions and Balances**

The financial statements are presented in Australian dollars which is the Alliance's functional and presentation currency.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

**(m) Comparative Figures**

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

**(n) Critical accounting estimates and judgments**

The Federal Committee evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Alliance.

**Key estimates - Impairment**

The Alliance assesses impairment at each reporting date by evaluating conditions specific to the Alliance that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised.

## 2 - REVENUE

	2008	2007
	\$	\$
Operating activities		
Subscriptions	7,655,051	7,134,523
Grants, sponsorships and events income	1,229,778	1,139,346
Interest from financial institutions	496,721	395,551
Rental income	124,328	223,104
Sundry income	412,719	213,844
Fighting fund levy income	286,841	274,744
Campaign levy income	430,252	412,102
Total Revenue	<u>10,635,690</u>	<u>9,793,214</u>

## 3 - SURPLUS FROM ORDINARY ACTIVITIES

Surplus from ordinary activities has been determined after charging the following:

Finance costs		
- Financial institutions	245,060	249,487
Depreciation of non-current assets, including equipment and vehicles	238,869	267,134
Amortisation of non-current assets		
- leasehold improvements	139,515	132,093
	<u>378,384</u>	<u>399,227</u>
Remuneration of auditor		
Auditing the financial report	52,000	43,992
Other services (taxation advice, review of cheque runs & audit of grants)	22,600	12,420
	<u>74,600</u>	<u>56,412</u>
Affiliation fees		
- International	105,550	114,826
- Other	182,083	164,307
	<u>287,633</u>	<u>279,133</u>

Legal fees 95,824 165,518

Donations and grants 713 27,874

Honoraria 27,559 35,916

Rental expense on operating leases  
- rental expense 181,243 142,275

Employee benefits to Elected Officials  
- salaries 551,305 591,861  
- annual leave 86,818 95,370  
- long service leave and severance pay 31,361 38,733  
- superannuation 115,981 108,819  
- benefits 63,077 65,981  
Total employee benefits to Elected Officials 848,542 900,674

Employee benefits to Staff  
- salaries 2,983,376 2,650,273  
- annual leave 378,929 263,909  
- long service leave 99,421 46,128  
- redundancies 30,249 22,324  
- superannuation 465,852 430,842  
- benefits 124,742 112,471  
Total employee benefits to Staff 4,082,569 3,525,947

## 4 - KEY MANAGEMENT PERSONNEL COMPENSATION

## (a) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Christopher Warren	Federal Secretary
Mark Ryan	Elected Official
Simon Whipp	Elected Official

Persons holding the position of salaried elected officials of the Alliance at any time during the year were:

C Warren, S Whipp, M Ryan, R Harris, L Connor, D Waters, A Ivanica, M Sinclair-Jones and M White.

## (b) Key Management Personnel Compensation

	Salary	Superannuation	Short-term and Long-term benefits	Total
2008	260,672	54,813	62,579	378,064
2007	248,564	53,050	62,579	364,193

## 5 - CASH AND CASH EQUIVALENTS

	2008	2007
	\$	\$
Cash on hand	7,739	7,156
Cash at bank	<u>2,203,531</u>	<u>2,164,502</u>
	<u>2,211,270</u>	<u>2,171,658</u>

## Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>2,211,270</u>	<u>2,171,658</u>
	<u>2,211,270</u>	<u>2,171,658</u>

## Risk exposures

The Alliance's risk exposure to interest rate and foreign exchange risk is discussed in note 17.

## 6 - TRADE AND OTHER RECEIVABLES

## CURRENT

Membership debtors	102,324	88,403
Other debtors	<u>450,281</u>	<u>355,930</u>
	<u>552,605</u>	<u>444,333</u>

## (a) Impaired trade and other receivables

There are no balances within trade and other receivables for 2008 and 2007 that contain assets that are impaired and are past due. Normal payment term is 30 days.

## (b) Aged analysis

0 - 30 days	92,565	86,735
1 - 3 months	101,936	74,051
3 to 6 months		1,041
Over 6 months	<u>358,104</u>	<u>282,506</u>
	<u>552,605</u>	<u>444,333</u>

## (c) Other receivables

These amounts mainly arise from related party loans. There are two loans, of which one is to the Equity Trust and the other to the International Federation of Journalists Asia Pacific Office. There is no interest charged to either the Equity Trust or International Federation of Journalists Asia Pacific Office for the outstanding loan balances. Collateral is not normally obtained.

## (d) Fair values

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate to their fair value.

## (e) Risk exposures

Information about the Alliance's exposure to credit risk, foreign exchange and interest rate risk is discussed in note 17.

## 7 - OTHER ASSETS

## CURRENT

Prepayments	103,931	144,976
Deposits refundable	20,299	20,299
Payroll clearing account	<u>152,727</u>	<u>83,442</u>
	<u>276,957</u>	<u>248,717</u>

## 8 - FINANCIAL ASSETS

Available-for-sale Financial Assets comprise:

Listed investments		
- shares - at fair value	1,037	1,031
- shares in listed trusts	<u>11,439</u>	<u>11,439</u>
Total available-for-sale financial assets	<u>12,476</u>	<u>12,470</u>

## (a) Impairment and risk exposure

The maximum exposure to credit risk at the reporting date is the fair value of the investments classified as available-for-sale.

None of the financial assets are either past due or impaired.

All available-for-sale financial assets are denominated in Australian currency. For an analysis of the sensitivity of available-for-sale financial assets to price and interest rate risk, refer to note 17.

## 9 - PROPERTY, EQUIPMENT AND VEHICLES

## LAND AND BUILDINGS

Sydney		
At cost	4,555,111	4,497,421
Less accumulated depreciation	<u>(1,498,971)</u>	<u>(1,399,593)</u>
	<u>3,056,140</u>	<u>3,097,828</u>

## Adelaide

At cost	204,628	204,628
Less accumulated depreciation	<u>(71,794)</u>	<u>(66,678)</u>
	<u>132,834</u>	<u>137,950</u>

## Melbourne

At cost	1,646,617	1,361,595
Less accumulated depreciation	<u>(63,298)</u>	<u>(28,367)</u>
	<u>1,583,319</u>	<u>1,333,228</u>



## 9 - PROPERTY, EQUIPMENT AND VEHICLES (CONTINUED)

	2008	2007
	\$	\$
EQUIPMENT AND VEHICLES		
At cost	1,439,117	1,918,298
Less accumulated depreciation	(1,140,109)	(1,537,161)
	<u>299,008</u>	<u>381,137</u>
Total property, equipment and vehicles	<u>5,071,301</u>	<u>4,950,143</u>

## (a) Movements in Carrying Amounts

	Land and buildings			Equipment and Vehicles	Total
	Sydney	Adelaide	Melbourne		
	\$	\$	\$	\$	\$
Balance at the beginning of year	3,097,828	137,950	1,333,228	381,137	4,950,143
Additions	58,438	-	285,022	160,634	504,094
Disposals	(4,552)	-	-	-	(4,552)
Depreciation expense	(95,574)	(5,116)	(34,931)	(242,763)	(378,384)
Carrying amount at the end of year	<u>3,056,140</u>	<u>132,834</u>	<u>1,583,319</u>	<u>299,008</u>	<u>5,071,301</u>

## (b) Valuations of land and buildings

The Federal Committee has reviewed the book value of land and buildings and believes that the market value is substantially in excess of the book value. The 2007 valuation of the Sydney property was performed by W K Wotton and Partners on 12 August 2006, when the property was valued at \$4,600,000.

## (c) Non-current assets pledged as security

Refer to note 11 for information on non-current assets pledged as security.

## 10 - TRADE AND OTHER PAYABLES

CURRENT		
Unsecured liabilities		
Trade payables	452,423	276,993
Goods and Services tax payable	12,259	98,140
Creditors and accruals	482,114	483,494
	<u>946,796</u>	<u>858,627</u>

## (a) Included in creditors and accruals are the following:

Legal fees	14,591	85,651
Employee benefits to Office holders and staff	187,016	110,480
	<u>201,607</u>	<u>196,131</u>

## 11 - BORROWINGS

CURRENT		
Secured liabilities		
Bank loans	200,000	200,000
NON-CURRENT		
Secured liabilities		
Bank loans	2,161,167	2,730,500

## (a) Bank loans

The bank loan facility expires on 30 August 2008, and has been extended to 30 August 2009.

## (b) Assets pledged as security

The Bank has a fixed charge over all land and buildings owned by the Alliance in Sydney and Adelaide.

The carrying amounts of non-current assets pledged as security are:

First mortgage over freehold land and buildings	3,188,974	3,235,778
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## (c) Risk exposures

Details of the Alliance's exposure to risks arising from borrowings are set out in note 17.

## 12 - PROVISIONS

CURRENT		
Annual leave	444,397	381,899
Long service leave	404,062	340,115
Severance provision	48,384	46,230
	<u>896,843</u>	<u>768,244</u>
NON-CURRENT		
Employee entitlements	10,742	17,617

## 13 - OTHER LIABILITIES

CURRENT		
Deferred membership income	28,766	102,340
Deferred other income	430,013	473,965
Other current liabilities	22,691	23,345
	<u>481,470</u>	<u>599,650</u>

Deferred other income includes funds raised and expended by the Alliance Safety & Solidarity Appeal Fund:

	2008	2007
	\$	\$
Balance as at 1 July	155,082	(6,327)
Funds raised during the year	58,644	167,837
Payments made during the year	(37,854)	(6,428)
Balance as at 30 June	<u>175,872</u>	<u>155,082</u>

## 14 - CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus after income tax

Net surplus for the period	774,908	443,408
Non-cash flows in profit		
Amortisation	139,515	132,093
Depreciation	238,869	267,134
Loss on disposal of fixed assets	4,552	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(105,721)	69,384
(Increase)/decrease in other current assets	(167,743)	54,214
Increase/(decrease) in trade and other payables	55,165	(33,670)
Increase in other current liabilities	18,770	220,737
Increase in provisions	154,724	45,904
	<u>1,113,039</u>	<u>1,199,204</u>

## 15 - RESERVES

## (a) Stability Reserve (formerly Fighting Fund Reserve)

The Stability Reserve was set up to advance the working capital of the Alliance and has been invested in bank accounts.

## (b) Equity Foundation Reserve

The Equity Foundation Reserve has been set up to advance the interests of the Equity Foundation.

## (c) Symphony Orchestra Musicians' Association (SOMA) Reserve

The SOMA Reserve has been set up to advance the interests of orchestral musicians.

## (d) Walkley Awards Reserve

The Walkley Awards Reserve has been set up to advance the interests of the Walkley Foundation.

## (e) Campaign Reserve

The Campaign Reserve has been set up to advance the interests of the members.

Each member is required to pay the campaign levy of 6% as part of the yearly subscription.

## (f) General Reserve

The General Reserve was set up to promote minor activities of the Alliance. It had been transferred to retained earnings in 2007.

## (g) Special Projects Reserve

The Special Projects Reserve was set up to advance the interests of the Alliance.

## (h) Western Australian Journalists Reserve

The Western Australian Journalists Reserve was set up to advance the interest of journalist members in Western Australia.

## (i) Fighting Fund Reserve

The Fighting Fund Reserve was set up to assist members undertaking action in support of Alliance objectives or such other related activities in support of Alliance objectives.

## 16 - CAPITAL AND LEASING COMMITMENTS

## (a) Operating Lease Commitments

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

Payable - minimum lease payments		
- not later than 12 months	78,295	93,060
- between 12 months and 5 years	-	85,305
	<u>78,295</u>	<u>178,365</u>

The operating lease, which relates to the Queensland branch expires in April 2009.

## (b) Capital Expenditure Commitments

There were no material capital expenditure commitments as at 30 June 2008.

## 17 - FINANCIAL INSTRUMENTS

The Alliance's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Alliance's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to related entities, bills, and leases. The main purpose of non-derivative financial instruments is to raise finance for the Alliance's operations. The Alliance does not have any derivative financial instruments at 30 June 2008.

The Officers of the Alliance analyse currency and interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

## (a) Market Risk

## (i) Cash flow and fair value interest rate risk

The Alliance's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Alliance to cash flow interest rate risk. In 2008 and 2007, the Alliance's borrowings at variable rates are denominated in Australian dollars. The Alliance's exposure to interest rate risk, and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective interest rate %	Floating interest rate \$	Maturing within 1 Year \$	Maturing 1 to 5 Years \$	Non-interest bearing \$	Total \$
<b>2008</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	6.60	2,203,531			7,739	2,211,270
Trade and other receivables					552,605	552,605
Investments					12,476	12,476
<b>Total Financial Assets</b>		2,203,531			572,820	2,776,351
<b>Financial Liabilities</b>						
Borrowings	7.50		200,000	2,161,167		2,361,167
Trade and other payables					946,796	946,796
Other current liabilities					481,470	481,470
<b>Total Financial Liabilities</b>			200,000	2,161,167	1,428,266	3,789,433
<b>Net exposure</b>		2,203,531	(200,000)	(2,161,167)	(855,446)	(1,013,082)
<b>2007</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	6.25	2,164,502			7,156	2,171,658
Trade and other receivables					444,333	444,333
Investments					12,470	12,470
<b>Total Financial Assets</b>		2,164,502			463,959	2,628,461
<b>Financial Liabilities</b>						
Borrowings	6.65		200,000	2,730,500		2,930,500
Trade and other payables					858,627	858,627
Other current liabilities					599,650	599,650
<b>Total Financial Liabilities</b>			200,000	2,730,500	1,458,277	4,388,777
<b>Net exposure</b>		2,164,502	(200,000)	(2,730,500)	(994,318)	(1,760,316)

The interest rate risk for financial assets and liabilities above are not material in terms of the possible impact on net surplus or total equity. It has therefore not been included in the sensitivity analysis.

(ii) Foreign exchange risk

The Alliance operates in Australia and New Zealand and is exposed to foreign exchange risk arising from currency exposures with respect to the NZ dollar.

The Alliance's exposure to foreign currency risk at the reporting date was as follows:

	30 June 2008 NZD	30 June 2007 NZD
Cash and cash equivalents	14,242	20,549
Trade payables	(13,931)	(1,441)
<b>Total</b>	311	19,108

The foreign exchange risks for the above financial instruments are not material in terms of the possible impact on net surplus or total equity. It has therefore not been included in the sensitivity analysis.

(i) Price risk

Price risk arises from investments held by the Alliance and classified on the balance sheet as available-for-sale. The Alliance is not exposed to commodity price risk. The price risk for the listed investments is not material in terms of the possible impact on net surplus or total equity. It has therefore not been included in the sensitivity analysis.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as trade and other receivables and investments. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Alliance does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Alliance.

(c) Liquidity Risk

The Alliance manages liquidity risk by maintaining adequate levels of cash in bank to ensure that all short term liabilities can be settled when they fall due. Liquidity risk is also managed by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Also, the Federal Committee has created a stability reserve which aims to maintain a balance of \$1,000,000 at all times. The table in note 17(a)(i) analyses the Alliance's financial assets and liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at year end.

(d) Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. For all assets and liabilities, net fair value approximates to their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. These are recorded at market value as advised by the Fund.

18 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of RAO Schedule, as amended, the attention of members is drawn to the provisions of section 272(5) which read as follows:

- (1) A member of the Alliance, or a Registrar, may apply to the Alliance for specified prescribed information in relation to the Alliance, to be made available to the person making the application.
- (2) The application must be in writing and must specify the period in which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Alliance.
- (3) The Alliance must comply with an application made under subsection (1).

19 - MONIES HELD IN TRUST

At year end the Alliance was holding in trust an amount of \$4,909,131 (2007: \$3,925,159). This amount and the corresponding liability are not reflected in the Income Statement or the Balance Sheet of the Alliance.

20 - EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events subsequent to balance date.

The financial report was authorised for issue on 22 September 2008 by the Committee of Management. The Committee has the right to amend the financial report after it has been issued.

21 - CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at 30 June 2008.

22 - ORGANISATION DETAILS

The registered office and principal place of business of the Alliance is:  
245 Chalmers Street, Redfern NSW 2012

23 - CHANGE IN ACCOUNTING POLICY

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The Alliance's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers' use internally for evaluating segment performance and deciding how to allocate resources to operating segments. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. The Alliance has not adopted these standards early. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of Alliance.

(iii) AASB-14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

AASB-14 will be effective for annual reporting periods commencing on or after 1 January 2008. It provides guidance on the maximum amount that may be recognised as an asset in relation to a defined benefit plan and the impact of minimum funding requirements on such an asset. There will be no impact on the financial report of Alliance, as Alliance does not have a defined benefit plan.

(iv) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Alliance intends to apply the revised standard from 1 July 2009.

FEDERAL SECRETARY'S DECLARATION

The Federal Secretary of the Alliance declares that:

1. The financial statements and notes, as set out on pages 29 to 34, are in accordance with the Workplace Relations Act and:

(a) comply with Accounting Standards and the Workplace regulations; and  
(b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Alliance.

2. In the Federal Secretary's opinion, there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable.

Federal Secretary: Christopher Warren

Dated this 22nd day of September 2008

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

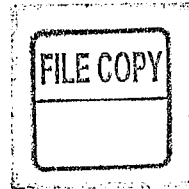
	Federal \$	NSW \$	Victoria \$	Queensland \$	SA \$	WA \$	Tasmania \$	ACT \$	SOMA \$	NZ \$	Campaign & Organising \$	Membership \$	Enquiry desk \$	Finance & Administration \$	CORE INDUSTRIAL \$	Equity Trust \$	Equity Foundatn \$	Walkley Awards \$	01.07.07 to 30.06.08 TOTAL \$	Previous year 30.06.07 TOTAL \$
<b>MEMBER INCOME</b>																				
Equity	0	1,094,561	909,474	286,647	57,300	84,494	5,979	23,866	0	39,242	0	0	0	0	2,501,563	0	0	0	2,501,563	2,208,386
Journalists	0	1,410,187	729,891	421,389	203,850	269,494	83,521	168,283	0	0	0	0	0	0	3,286,615	0	0	0	3,286,615	3,221,288
Theatrical	0	389,661	327,805	94,647	56,706	29,958	6,683	10,211	0	0	0	0	0	0	915,671	0	0	0	915,671	873,417
Musicians	0	30,024	0	891	0	35,811	0	0	206,369	0	0	0	0	0	273,095	0	0	0	273,095	252,487
Campaign levy	0	0	0	0	0	0	0	0	0	0	430,252	0	0	0	430,252	0	0	0	430,252	487,102
YR@W levy	0	0	0	0	0	0	0	0	0	0	694,179	0	0	0	694,179	0	0	0	694,179	561,172
Collection costs	(10)	(29,458)	(20,377)	(6,291)	(5,230)	(5,089)	(859)	(2,492)	(639)	(16)	0	0	0	(11)	(70,472)	0	0	0	(70,472)	(75,522)
<b>NET MEMBER INCOME</b>	<b>(10)</b>	<b>2,894,975</b>	<b>1,946,793</b>	<b>797,283</b>	<b>312,626</b>	<b>414,668</b>	<b>95,324</b>	<b>199,868</b>	<b>205,730</b>	<b>39,226</b>	<b>1,124,431</b>	<b>0</b>	<b>0</b>	<b>(11)</b>	<b>8,030,903</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,030,903</b>	<b>7,528,330</b>
<b>OTHER INCOME</b>	<b>69,941</b>	<b>55,261</b>	<b>50,950</b>	<b>0</b>	<b>5,000</b>	<b>1,725</b>	<b>14,991</b>	<b>1,336</b>	<b>0</b>	<b>32,152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>201,398</b>	<b>432,754</b>	<b>305,309</b>	<b>323,194</b>	<b>1,141,570</b>	<b>2,202,827</b>	<b>1,956,369</b>
<b>TOTAL INCOME</b>	<b>69,931</b>	<b>2,950,236</b>	<b>1,997,743</b>	<b>797,283</b>	<b>317,626</b>	<b>416,393</b>	<b>110,315</b>	<b>201,204</b>	<b>205,730</b>	<b>71,378</b>	<b>1,124,431</b>	<b>0</b>	<b>0</b>	<b>201,387</b>	<b>4,463,657</b>	<b>305,309</b>	<b>323,194</b>	<b>1,141,570</b>	<b>10,233,730</b>	<b>9,502,993</b>
Share of overheads	1,667,592	(2,375,904)	(1,046,232)	(307,428)	(91,044)	(127,920)	(19,440)	(69,148)	(46,764)	10,464	0	783,804	234,960	1,407,060	0	0	0	0	0	0
<b>FUNDS AVAILABLE</b>	<b>1,737,523</b>	<b>574,332</b>	<b>951,511</b>	<b>489,855</b>	<b>226,582</b>	<b>288,473</b>	<b>90,875</b>	<b>112,056</b>	<b>158,966</b>	<b>81,842</b>	<b>1,124,431</b>	<b>783,804</b>	<b>234,960</b>	<b>1,608,447</b>	<b>4,463,657</b>	<b>305,309</b>	<b>323,194</b>	<b>1,141,570</b>	<b>10,233,730</b>	<b>9,502,993</b>
<b>COSTS</b>																				
Staff	(666,202)	(283,971)	(335,727)	(193,274)	(210,826)	(292,390)	(56,139)	(82,754)	(97,672)	(78,293)	(1,036,514)	(610,642)	(213,600)	(479,385)	(4,637,389)	(183,753)	(185,801)	(400,096)	(5,407,039)	(4,980,053)
Site	(115,440)	(48,900)	(139,230)	(25,690)	(15,398)	(28,542)	(4,219)	(6,540)	(8,300)	(16,742)	(95,880)	(27,892)	(29,760)	(216,013)	(778,646)	0	0	0	(778,646)	(791,268)
Admin	(901,420)	(138,991)	(138,524)	(68,408)	(55,427)	(50,387)	(40,245)	(11,800)	(43,370)	(45,980)	(205,742)	(173,025)	(5,899)	(825,971)	(2,705,189)	(121,556)	(87,655)	(760,697)	(3,675,097)	(3,623,426)
Total costs	(1,683,062)	(471,862)	(613,481)	(287,372)	(281,651)	(371,319)	(100,603)	(101,194)	(149,342)	(141,015)	(1,338,136)	(811,559)	(249,259)	(1,521,369)	(8,121,224)	(305,309)	(273,456)	(1,160,793)	(9,860,782)	(9,394,747)
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>54,461</b>	<b>102,470</b>	<b>338,030</b>	<b>202,483</b>	<b>(55,069)</b>	<b>(82,846)</b>	<b>(9,728)</b>	<b>10,862</b>	<b>9,624</b>	<b>(59,173)</b>	<b>(213,705)</b>	<b>(27,755)</b>	<b>(14,299)</b>	<b>87,078</b>	<b>342,433</b>	<b>0</b>	<b>49,738</b>	<b>(19,223)</b>	<b>372,948</b>	<b>108,246</b>
<b>OTHER TRANSACTIONS</b>																				
Debt reduction levy received and allocated to borrowings															286,841	0	0	0	286,841	276,144
Interest received on Fighting Fund Reserve bank account															191	0	0	0	191	0
Interest received on Stability Reserve bank account															60,528	0	0	0	60,528	59,018
Funds received from WA Journalists															54,400	0	0	0	54,400	0
															744,393	0	49,738	(19,223)	774,908	443,408
<b>TRANSFERS (TO)/ FROM RESERVES</b>																				
Transfer from Special Project Reserve															0	0	0	20,000	20,000	(20,000)
Transfer to WA Journalists Reserve															(54,400)	0	0	0	(54,400)	0
Transfer to SOMA Reserve															0	0	0	0	0	20,822
Transfer to Fighting Fund Reserve															(175,463)	0	0	0	(175,463)	0
Transfer of interest to Stability Reserve															(61,928)	0	0	0	(61,928)	(59,018)
Surplus transferred to Walkley Awards Reserve															0	0	0	(77)	(77)	(165,084)
Transfer to Campaigns Reserve															(85,000)	0	0	0	(85,000)	(50,000)
Surplus transferred to Equity Foundation Reserve															0	0	(49,738)	0	(49,738)	(197,857)
<b>SURPLUS added to RETAINED EARNINGS</b>															<b>367,602</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>367,602</b>	<b>303,985</b>



**Australian Government**  
**Australian Industrial Registry**

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Mr Mark Ryan  
Acting Federal Secretary  
Media, Entertainment and Arts Alliance  
PO Box 723  
STRAWBERRY HILLS NSW 2012



Dear Mr Ryan

**Re: Lodgement of Financial Statements and Accounts – Media, Entertainment and Arts Alliance – for year ending 30 June 2008 (FR2008/501)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 5 December 2008. After careful consideration of the documents, I draw your attention to the following for inclusion in future reporting.

*Omission of certain prescribed information*

The report did not contain “details of the right of members to resign from the reporting unit under section 174” as required by s254(2)(c) of the RAO Schedule.

The report did not appear to include all the names of “each person who has been a member of the committee of management of the reporting unit at any time during the reporting period” if the full list of names provided in the organisation’s annual return (AR2008/430) lodged previously in the Registry is any guide; nor did it include “the period for which he or she held such a position”, as prescribed by RAO regulation 159(c).

These details should be included in future reports. Otherwise, there is no further action required in respect of this return, and the documents have been filed.

Yours sincerely,

Stephen Kellett  
Statutory Services Branch

15 January 2009