



# Fair Work Australia

Ms Carole Carney  
Media, Entertainment and Arts Alliance  
PO Box 723  
STRAWBERRY HILLS NSW 2012



Dear Ms Carney

**Re: Lodgement of Financial Statements and Accounts –  
Media, Entertainment and Arts Alliance – for year ending 30 June 2009 (FR2009/10043)**

Thank you for lodging the amended Designated Officer's Certificate certifying the date of the presentation of the above financial statements and accounts, received today.

The Certificate has been added to the documents already lodged and the return has been filed.

Yours sincerely,


Stephen Kellett  
Fair Work Australia

7 December 2009

**Designated Officer's Certificate**  
s268 Fair Work (Registered Organisations) Act 2009

I, Christopher Warren, being the 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 Fair Work (Registered Organisations) Act 2009; and
- that the full report, was provided to members on 2 October 2009; and
- that the full report was presented to a meeting of the Federal Council of the Union 27<sup>th</sup> November 2009; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



\_\_\_\_\_  
Christopher Warren  
Federal Secretary

Date: \_\_\_\_\_

November 30, 2009





Fair Work  
Australia



Ms Carole Carney  
Media, Entertainment and Arts Alliance  
PO Box 723  
STRAWBERRY HILLS NSW 2012

Dear Ms Carney

**Re: Lodgement of Financial Statements and Accounts –  
Media, Entertainment and Arts Alliance – for year ending 30 June 2009 (FR2009/10043)**

Thank you for lodging the abovementioned financial statements and accounts with Fair Work Australia, received on 9 November 2009.

Before filing the documents, I must draw the organization's attention to the following matters.

1. The Designated Officer's Certificate signed by the Federal Secretary states that the full report was presented to a Committee of Management meeting on 21 September 2009. Since all the financial documents were dated on that day, and the members were not provided the report until 2 October, it appears that the meeting held on 21 September was not the meeting held in accordance with s266 of the *Fair Work (Registered Organisations) Act 2009*. Fair Work Australia has always been quite clear in its understanding that the legislation contemplates that presentation of the report is a distinct event from the initial reception of an auditor's report and the signing of statements by the Committee. This has been the case with all forms of the relevant provision.<sup>1</sup>

I therefore seek the organization's advice whether the report was subsequently presented to a later meeting, and if so, suggest that an amended Designated Officer's Certificate be lodged so that it may be added to the documents in the interests of an accurate public record.

2. Although there was a general disclosure of "Recovery of Money" on page 21 of the Annual Report, there was no reference in the Auditor's report, nor any declaration relating to recovery of wage activity in the Federal Secretary's Report on page 29. The preparation of a recovery of wages financial activity report is required by the General Manager's Reporting Guidelines, if applicable according to paragraph 16 of those Guidelines. It is applicable where revenues are derived from such activity.

<sup>1</sup> cf. s158AG(4A) *Conciliation and Arbitration Act 1904*, as amended 1983; s279(6) *Industrial Relations Act 1988*.

I therefore attach the relevant guideline extracts for the organization's consideration and request the organization's undertaking that the requirements will be met in any future reports to which they may be applicable.

3. An amount of \$33,153 is disclosed at Note 3 in respect of "Donations". I take this opportunity to remind the organization of its obligation to lodge a separate statement, pursuant to s237 of the Act, setting out the required particulars, if this amount included any single donation exceeding \$1,000.

The report otherwise meets the legislative requirements but I will defer filing the documents pending the organization's advice on the first two matters.

Yours respectfully,



Stephen Kellett  
Fair Work Australia

11 November 2009



# media, entertainment & arts alliance

the people who inform and entertain

November 2009

Fair Work Australia  
80 William Street  
East Sydney NSW

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

Please find enclosed the Annual Report "Full Operating Report" for the Media, Entertainment & Arts Alliance, for the financial year ended 30 June 2009 and the Secretary's certificate.

Yours sincerely

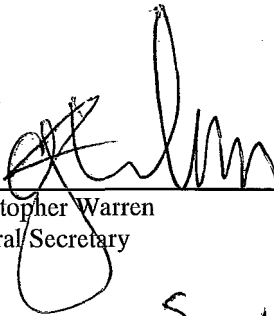
Carole Carney  
Media, Entertainment & Arts Alliance



**Designated Officer's Certificate**  
*s268 Fair Work (Registered Organisations) Act 2009*

I, Christopher Warren, being the 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 Fair Work (Registered Organisations) Act 2009; and
- that the full report, was provided to members on 2 October 2009; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 21 September 2009; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



\_\_\_\_\_  
Christopher Warren  
Federal Secretary

Date: 5. 11. 09

**INDEPENDENT AUDIT REPORT TO THE TRUSTEES OF EQUITY TRUST**

We are pleased to present our Audit Report on the Balance Sheet for the Media, Entertainment & Arts Alliance Equity Trust ("the Trust") as at 30 June 2009.

**Scope**

We have audited the attached Balance Sheet for the Trust as at 30 June 2009. The Trustees of the Trust are responsible for the balance sheet and the information contained therein. We have conducted an independent audit of the balance sheet in order to express an opinion on it to the Trustees.

We have completed the audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the balance sheet is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the balance sheet, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the balance sheet is presented fairly.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion, the balance sheet for the Trust presents fairly the assets and liabilities of the Trust and is adequately supported by appropriate documentation.

The audit report has been prepared solely for the use of the Trustees of the Trust. This report is not to be distributed to any other parties without our written consent.

If you have any queries concerning the above, please contact me on (02) 9262 2155.

**WHK HORWATH SYDNEY**

**LEAH RUSSELL**

Principal

Dated this 21st day of September 2009

**Equity Trust Balance Sheet as at 30 June 2009**

Administered by the Media, Entertainment & Arts Alliance

	2009	2008
	\$	\$
<b>Current assets</b>		
Cash at bank	5,646,483	4,935,724
<b>Total assets</b>	<u>5,646,483</u>	<u>4,935,724</u>
<b>Current liabilities</b>		
Owed to cast members	5,205,736	4,629,004
Owed to Alliance	394,847	260,820
Provision	45,900	45,900
<b>Total liabilities</b>	<u>5,646,483</u>	<u>4,935,724</u>
<b>NET ASSETS</b>	<u>-</u>	<u>-</u>

**ABOUT EQUITY TRUST**

**Residuals**

Equity Trust is responsible for distributing residual fees (residuals), which are fees paid by distributors or producers to the performers concerned. They are sometimes referred to as "royalties", "repeats" or "second usage fees". These fees are negotiated by the Alliance and paid to qualifying performers who work on film or TV productions, after the initial use or exploitation of these productions.

We collect these fees on behalf of the performers and then calculate the residuals for each of them.

These calculations are audited by the Alliance's external auditors, prior to the issue of cheques to performers each quarter. On occasion, there are discrepancies relating to performers' entitlements to residuals or the attributed portions and these need to be resolved before payments are made.

Equity Trust monitors exploitation or sales which may trigger residuals and contacts the producer and distributor when money is due from them. Producers and distributors are required to provide regular reports on all

income they have received and residuals owing.

In the last seven years, Equity Trust has received over \$49 million on behalf of performers. The Trust aims to pay out all residuals received, but some performers are difficult to trace.

To contact Equity Trust, call the Residuals department on 1300 65 65 12 or email them at residuals@alliance.org.au

**Superannuation contributions**

Equity Trust also negotiates, monitors and collects superannuation contributions on behalf of Australian performers working overseas and forwards their entitlement to the appropriate superannuation fund.

**Bonds**

To safeguard the wages of performers and crew working on productions, Equity Trust may require a bond to be lodged by the producer. In such cases, Equity Trust releases the bond after the production has provided a certificate from its accountants, certifying that all performers' and crews' wages, including superannuation and annual leave, have been paid.

**FINANCIAL REPORT**

Through a difficult financial year, a tight control on costs saw the Alliance come through with a surplus that enabled us to continue to build our Fighting Fund to help members affected by industrial or other action. As a result of the global financial crisis, membership income fell for the first time in about a decade, despite a CPI-linked fee rise. Total membership income was down by about 1 per cent. Other income increased, largely as a result of increased turnover of the Walkley Foundation and the Equity Foundation. Moving early in the financial year, the Alliance cut back on staff and other costs by eliminating some vacant positions and through limited voluntary redundancies. This saw staff costs in the core Alliance operations move sideways from about \$4.64 million to \$4.8 million, after separation payments are taken into account. The budget forecast is that staff costs should fall to \$4.5 million in the new financial year, cushioning the union against a further expected deterioration in fee income.

The Alliance also tightened control over all other costs that are partially discretionary, including publications, travel and legal costs. Staff remained the major cost for the union. At the end of the financial year, the Alliance employed 70 staff either full-time or part-time, down from 77 at the end of the previous financial year. This was equivalent to 62.6 full-time staff, down from 71.4 at the end of the previous financial year.

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

	Staff	Officers	2007-2008
Under \$20,000	11	0	11
\$20,000-\$30,000	2	0	8
\$30,000-\$40,000	9	0	9
\$40,000-\$50,000	5	0	6
\$50,000-\$60,000	2	0	11
\$60,000-\$70,000	10	0	6
\$70,000-\$80,000	6	0	10
\$80,000-\$90,000	6	1	11
\$90,000-\$100,000	8	3	1
\$100,000-\$110,000	2	0	1
\$110,000-\$120,000	1	2	3
Over \$120,000	-	2	-
	62	8	77

Campaigns were a significant expenditure, particularly campaigns confronting the challenge of change. We committed funding support to the Future of Journalism project. We also funded a key campaign around Australian content and ABC funding. By moving early in the financial year to address the impact of the crisis, the Alliance delivered a surplus of about \$810,000 on a turnover of about \$11 million. This surplus enabled us to continue to build the Fighting Fund to assist members taking action in support of Alliance objectives. First launched in 2008, the fund had reserves of \$554,617 by the end of the financial year.

We are continuing to set aside real provision for staff entitlements to untaken annual leave and long service leave. By the end of the financial year, we had about \$700,000 set aside to underpin a provision of about \$861,000. We intend to set aside an additional amount of cash this financial year which will mean we will have adequate real provision for the future.

We are continuing to pay down our mortgage. At the end of the financial year, there was about \$2.13 million owing, underpinned by properties in Sydney, Melbourne and Adelaide with a book value of about \$5 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 six years.

**FEDERAL SECRETARY'S REPORT**

On 21 September 2009 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 2009: The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the reporting guidelines of the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable;
- (e) the financial year to which the GPFR relates and since the end of the year;
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and the RAO Regulations; and
  - (iv) 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
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

The Alliance's bank loan facility expires on 31st October 2009 and will be refinanced for three years. To comply with Accounting Standards, the bank loan at 30th June 2009 has been reclassified as a Current Liability. At 30th June 2010 it will revert to a Non-current Liability. If this reclassification had not been required, the Alliance's working capital at 30th June 2009 would have been \$1,042,720 (\$515,723 at 30th June 2008).

**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 21st day of September 2009

**AUDITOR'S INDEPENDENCE DECLARATION**

I am pleased to provide the following declaration of independence to the Federal Management Committee of Media, Entertainment & Arts Alliance.

As lead audit principal for the audit of the financial statements of Media, Entertainment & Arts Alliance for the financial year ended 30 June 2009, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

WHK HORWATH SYDNEY

Leah Russell Principal

Dated this 21st day of September 2009

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

**Scope**

The financial report and the Federal Secretary'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 Media, Entertainment & Arts Alliance for the year ended 30 June 2009.

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 misstatement. 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 misstatements 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 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 their 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:
  - (i) giving a true and fair view of the Alliance's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - (ii) 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 21st day of September 2009

	2009-2010 Budget	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
	\$	\$	\$	\$	\$	\$	\$	\$
Total income	11,260,800	11,039,723	10,706,162	9,913,677	9,010,401	7,655,953	7,773,560	7,113,710
Total costs	(10,639,900)	(10,230,635)	(9,931,254)	(9,470,269)	(8,753,424)	(7,394,694)	(6,955,713)	(7,058,532)
Surplus	620,900	809,088	774,908	443,408	256,977	261,259	817,847	55,178
Stability Reserve	1,000,000	1,000,000	1,000,000	1,017,514	958,496	725,237	519,954	323,497
Fighting Fund Reserve	800,000	554,617	254,905	0	0	0	0	0



## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
<b>REVENUE</b>			
Revenue from ordinary activities	2	10,821,669	10,635,690
<b>DIRECT COSTS</b>			
Depreciation and amortisation	3	(332,873)	(378,384)
Finance costs	3	(171,286)	(245,060)
Employee costs		(5,615,990)	(5,410,911)
Site costs		(411,328)	(495,807)
Affiliation fees	3	(294,786)	(287,633)
Printing and postage		(291,774)	(343,643)
Telephone		(174,892)	(167,116)
Magazines		(504,344)	(494,968)
Repairs and maintenance		(402,288)	(413,650)
Travel		(315,649)	(367,060)
Special events		(879,684)	(683,360)
Other expenses from ordinary activities		(617,687)	(573,190)
<b>Total direct costs</b>		<b>10,012,581</b>	<b>9,860,782</b>
<b>Surplus</b>		<b>809,088</b>	<b>774,908</b>

## CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

<b>Cash from operating activities:</b>			
Receipts from members and sponsors		11,182,205	10,874,134
Payments to suppliers and employees		(10,524,482)	(10,004,741)
Interest received		404,183	488,706
Finance costs		(171,286)	(245,060)
<b>Net cash provided by operating activities</b>	14	<b>890,620</b>	<b>1,113,039</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property, equipment and vehicles	9	(405,316)	(504,094)
Proceeds from disposal of property, equipment and vehicles		6,535	-
<b>Net cash used in investing activities</b>		<b>(398,781)</b>	<b>(504,094)</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings		(229,994)	(569,333)
<b>Net cash used in financing activities</b>		<b>(229,994)</b>	<b>(569,333)</b>
<b>Net increase in cash held</b>		<b>261,845</b>	<b>39,612</b>
Cash and cash equivalents at beginning of year	5	2,211,270	2,171,658
<b>Cash at end of financial year</b>	5	<b>2,473,115</b>	<b>2,211,270</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Stability Reserve (formerly Fighting Fund)	Fighting Fund Reserve	Equity Foundation Reserve	SOMA Reserve	Walkley Foundation Reserve	Western Australian Journalists Reserve	Campaign Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2008	1,000,000	254,905	362,554	19,491	361,337	54,400	201,453	1,173,451	3,427,591
Net surplus attributable to members of the entity	-	-	-	-	-	-	-	809,088	809,088
Transfers to and from reserves	-	-	-	-	-	-	-	(299,712)	-
- Fighting Fund Reserve	-	299,712	-	-	-	-	-	(299,712)	-
- Equity Foundation Reserve	-	-	12,680	-	-	-	-	(12,680)	-
- SOMA Reserve	-	-	-	938	-	-	-	(938)	-
- Walkley Foundation Reserve	-	-	-	-	71,386	-	-	(71,386)	-
- Western Australian Journalists Reserve	-	-	-	-	-	(11,481)	-	11,481	-
<b>Balance at 30 June 2009</b>	<b>1,000,000</b>	<b>554,617</b>	<b>375,234</b>	<b>20,429</b>	<b>432,723</b>	<b>42,919</b>	<b>201,453</b>	<b>1,609,304</b>	<b>4,236,679</b>

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

	Stability Reserve (formerly Fighting Fund)	Fighting Fund Reserve	Equity Foundation Reserve	SOMA Reserve	Walkley Foundation Reserve	Western Australian Journalists Reserve	Campaign Reserve	Special Projects Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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	-	-	-	-	-	-	-	-	(61,928)	-
- 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 Foundation Reserve	-	-	-	-	778	-	-	-	(778)	-
- Western Australian 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>-</b>	<b>1,173,451</b>	<b>3,427,591</b>

## BALANCE SHEET 30 JUNE 2009

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,473,115	2,211,270
Trade and other receivables	6	833,755	552,605
Other current assets	7	107,573	276,957
<b>Total current assets</b>		<b>3,414,443</b>	<b>3,040,832</b>
<b>Non-current assets</b>			
Financial assets	8	15,033	12,476
Property, equipment and vehicles	9	5,131,536	5,071,301
<b>Total non-current assets</b>		<b>5,146,569</b>	<b>5,083,777</b>
<b>TOTAL ASSETS</b>		<b>8,561,012</b>	<b>8,124,609</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	814,028	946,796
Short-term borrowings	11	2,131,173	200,000
Provisions	12	840,079	896,843
Other current liabilities	13	517,616	481,470
<b>Total current liabilities</b>		<b>4,302,896</b>	<b>2,525,109</b>
<b>Non-current liabilities</b>			
Long-term borrowings	11	-	2,161,167
Provisions	12	21,437	10,742
<b>Total non-current liabilities</b>		<b>21,437</b>	<b>2,171,909</b>
<b>TOTAL LIABILITIES</b>		<b>4,324,333</b>	<b>4,697,018</b>
<b>NET ASSETS</b>		<b>4,236,679</b>	<b>3,427,591</b>
<b>EQUITY</b>			
Reserves		2,627,375	2,254,140
Retained earnings		1,609,304	1,173,451
<b>TOTAL EQUITY</b>		<b>4,236,679</b>	<b>3,427,591</b>

The Alliance's bank loan facility expires on 31st October 2009 and will be refinanced for three years. To comply with Accounting Standards, the bank loan at 30th June 2009 has been reclassified as a Current Liability. At 30th June 2010 it will revert to a Non-current Liability. If this reclassification had not been required, the Alliance's working capital at 30th June 2009 would have been \$1,042,720 (\$515,723 at 30th June 2008).

## 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 Workplace 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 non-current 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 Federal Management Committee, 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 Management 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 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 and 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 on-costs. 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 expended. 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 the 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 Management Committee evaluate 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.

**REVENUE**

	2009 \$	2008 \$
Operating activities		
Subscriptions and fees	7,517,943	6,960,872
Grants, sponsorships and events income	1,589,769	1,229,778
Interest from financial institutions	404,183	496,721
Rental income	103,237	124,328
Sundry income	487,960	412,719
Debt reduction levy income	287,425	286,841
Campaign levy income	431,152	430,252
Your rights at work levy (YR@W)	-	694,179
<b>Total Revenue</b>	<b>10,821,669</b>	<b>10,635,690</b>

**3. SURPLUS FROM ORDINARY ACTIVITIES**

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

Finance costs - Financial institutions	171,286	245,060
Depreciation of non-current assets, including equipment and vehicles	183,673	238,869
Amortisation of non-current assets - leasehold improvements	149,200	139,515
	<u>332,873</u>	<u>378,384</u>
Remuneration of auditor - Auditing the financial report	52,000	52,000
Other services (taxation advice, review of cheque runs)	25,360	13,731
	<u>77,360</u>	<u>65,731</u>
Affiliation fees - International	123,508	105,550
- Other	171,278	182,083
<b>Total affiliation fees</b>	<b>294,786</b>	<b>287,633</b>
Legal fees	142,433	95,824
Donations	33,153	713
Honoraria	31,399	27,559
Rental expense on operating leases	95,261	181,243
Employee benefits to Elected Officials - salaries	566,830	551,305
- annual leave	74,102	86,818
- long service leave and severance pay	27,222	31,361
- superannuation	140,817	115,981
- benefits	42,412	63,077
<b>Total Employee Benefits to Elected Officials</b>	<b>851,383</b>	<b>848,542</b>
Employee benefits to Staff - salaries	3,415,032	2,983,376
- annual leave	439,532	378,929
- long service leave	(6,351)	99,421
- redundancies	199,881	30,249
- superannuation	499,513	465,852
- benefits	66,204	124,742
<b>Total Employee Benefits to Staff</b>	<b>4,613,811</b>	<b>4,082,569</b>

**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:

Key Management Personnel	Position
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, A Ivanica, M Sinclair-Jones and M White.

**(b) Key Management Personnel Compensation**

	Salary	Superannuation	Short-term and Long-term benefits	Total
2009	319,815	63,954	49,479	433,248
2008	260,672	54,813	62,579	378,064

**5. CASH AND CASH EQUIVALENTS**

	2009 \$	2008 \$
Cash on hand	7,692	7,739
Cash at bank	2,465,423	2,203,531
	<u>2,473,115</u>	<u>2,211,270</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	2,473,115	2,211,270
	<u>2,473,115</u>	<u>2,211,270</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	2009	2008
Membership debtors	70,376	102,324
Other debtors	763,379	450,281
	<u>833,755</u>	<u>552,605</u>

**(a) Impaired trade and other receivables**

There are no balances within trade and other receivables in 2009 and 2008 that contain assets that are impaired and are past due. Normal payment term is 30 days. It is expected these balances will be received when due.

**(b) Aged analysis**

0 - 30 days	389,667	92,565
1 - 3 months	28,733	101,936
3 to 6 months	13,943	-
Over 6 months	401,412	358,104
	<u>833,755</u>	<u>552,605</u>

**(c) Other debtors**

These amounts mainly arise from related party loans. There are two loans, of which one is to the Equity Trust and the other is to the International Federation of Journalists Asia-Pacific Office. There is no interest charged to either Equity Trust or International Federation of Journalists Asia-Pacific Office for the outstanding loan balance. 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	2009	2008
Prepayments	71,193	103,931
Deposits refundable	10,299	20,299
Payroll clearing account	26,081	152,727
	<u>107,573</u>	<u>276,957</u>

**8. FINANCIAL ASSETS**

Available-for-sale Financial Assets comprise:

Listed investments - shares - at fair value	1,037	1,037
- shares in listed trusts	13,996	11,439
<b>Total available-for-sale financial assets</b>	<b>15,033</b>	<b>12,476</b>

**(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	4,759,207	4,555,111
- Less accumulated depreciation	(1,597,427)	(1,498,971)
	<u>3,161,780</u>	<u>3,056,140</u>
Adelaide		
At cost	204,628	204,628
- Less accumulated depreciation	(76,910)	(71,794)
	<u>127,718</u>	<u>132,834</u>
Melbourne		
At cost	1,646,617	1,646,617
- Less accumulated depreciation	(104,464)	(63,298)
	<u>1,542,153</u>	<u>1,583,319</u>

## 9. PROPERTY, EQUIPMENT AND VEHICLES (continued)

	2009	2008
	\$	\$
<b>EQUIPMENT AND VEHICLES</b>		
At cost	1,628,427	1,439,117
- Less accumulated depreciation	(1,328,542)	(1,140,109)
	299,885	299,008
Total property, equipment and vehicles	5,131,536	5,071,301

## (a) Movements in Carrying Amounts

	Land and buildings			Equipment and Vehicles	Total
	Sydney	Adelaide	Melbourne		
	\$	\$	\$	\$	\$
Balance at the beginning of year	3,056,140	132,834	1,583,319	299,008	5,071,301
Additions	208,557	-	-	196,759	405,316
Disposals	-	-	-	(12,209)	(12,209)
Depreciation expense	(102,918)	(5,116)	(41,166)	(183,673)	(332,873)
<b>Carrying amount at the end of year</b>	<b>3,161,780</b>	<b>127,718</b>	<b>1,542,153</b>	<b>299,885</b>	<b>5,131,536</b>

## (b) Valuations of land and buildings

The Federal Management 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 latest valuation of the Sydney property was performed by CB Richard Ellis on 10 August 2009, 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	175,262	452,423
Goods and Services tax payable	124,911	12,259
Creditors and accruals	513,855	482,114
	814,028	946,796

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

Legal fees	85,086	14,591
Employee benefits to Office holders and staff	-	187,016
	85,086	201,607

## (a) Amounts not expected to be settled within the next 12 months

There are no amounts not expected to be settled within the next 12 months.

## (b) Risk exposure

Information about the Alliance's risk exposure is provided in note 17.

## 11. BORROWINGS

## CURRENT

Secured liabilities		
Bank loans	2,131,173	200,000

## NON-CURRENT

Secured liabilities		
Bank loans	-	2,161,167

## (a) Bank loans

The Alliance's bank loan facility expires on 31st October 2009 and will be refinanced for three years. To comply with Accounting Standards, the bank loan at 30th June 2009 has been reclassified as a Current Liability. At 30th June 2010 it will revert to a Non-current Liability. If this reclassification had not been required, the Alliance's working capital at 30th June 2009 would have been \$1,042,720 (\$515,723 at 30th June 2008).

## (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	3,289,498	3,188,974
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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

## a) CURRENT

Annual leave	379,401	444,397
Long service leave	411,680	404,062
Severance provision	48,998	48,384
	840,079	896,843

## NON-CURRENT

Employee entitlements	21,437	10,742
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## 13. OTHER LIABILITIES

## CURRENT

Deferred membership income	9,159	28,766
Deferred other income	497,176	430,013
Other current liabilities	11,281	22,691
<b>Total</b>	<b>517,616</b>	<b>481,470</b>

Deferred other income include funds raised and expended by the Alliance Safety & Solidarity Appeal Fund.

The following is the movement in the Alliance Safety & Solidarity Appeal Fund:

## 13. OTHER LIABILITIES (continued)

	2009	2008
	\$	\$
Balance as at 1 July	175,872	155,082
Funds raised during the year	221,144	58,644
Payments made during the year	(28,453)	(37,854)
<b>Balance as at 30 June</b>	<b>368,563</b>	<b>175,872</b>

## 14. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus after nil income tax

Net surplus for the period	809,088	774,908
Non-cash flows in profit		
Distribution reinvested	(2,557)	-
Amortisation	149,200	139,515
Depreciation	183,673	238,869
Loss on disposal of fixed assets	5,680	4,552
Changes in assets and liabilities		
Decrease in trade and other receivables	(281,150)	(105,721)
(Increase)/decrease in other current assets	169,384	(167,743)
Increase/(decrease) in trade and other payables	(132,768)	55,165
Increase in other current liabilities	36,146	18,770
Increase/(decrease) in provisions	(46,076)	154,724
	890,620	1,113,039

## 15. RESERVES

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

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)

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

## (d) Walkley Foundation Reserve

The Walkley Foundation 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 was required to pay the campaign levy of 6% as part of the yearly subscription.

## (f) Special Projects Reserve

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

## (g) Western Australian Journalists Reserve

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

## (h) 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

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

At the date of this report, the lease is still being negotiated.

## (b) Capital Expenditure Commitments

There are no material capital expenditure commitments as at 30 June 2009.

## 17. FINANCIAL RISK MANAGEMENT

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 2009.

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 borrowings. Borrowings issued at variable rates expose the Alliance to cash flow interest rate risk. In 2009 and 2008, the Alliance's borrowings at variable rates were 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: 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.

	30 June 2009 NZD	30 June 2008 NZD
Cash and cash equivalents	46,185	14,242
Trade payables	3,844	(13,931)
<b>Total</b>	<b>50,029</b>	<b>311</b>

	Weighted Average Effective interest rate %	Floating interest rate \$	Maturing within 1 Year \$	Maturing 1 to 5 Years \$	Non-interest bearing \$	Total \$
<b>2009</b>						
<b>Financial Assets:</b>						
Cash and cash equivalents	3.94	2,465,423	-	-	7,692	2,473,115
Trade and other receivables	-	-	-	-	833,755	833,755
Investments	-	-	-	-	15,033	15,033
<b>Total Financial Assets</b>		<b>2,465,423</b>			<b>856,480</b>	<b>3,321,903</b>
<b>Financial Liabilities:</b>						
Borrowings	3.96	-	2,131,173	-	-	2,131,173
Trade and other payables	-	-	-	-	814,028	814,028
Other current liabilities	-	-	-	-	517,616	517,616
<b>Total Financial Liabilities</b>			<b>2,131,173</b>		<b>1,331,644</b>	<b>3,462,817</b>
<b>Net exposure</b>		<b>2,465,423</b>	<b>(2,131,173)</b>		<b>(535,164)</b>	<b>(200,914)</b>
<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>		<b>2,203,531</b>			<b>572,820</b>	<b>2,776,351</b>
<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>			<b>200,000</b>	<b>2,161,167</b>	<b>1,428,266</b>	<b>3,789,433</b>
<b>Net exposure</b>		<b>2,203,531</b>	<b>(200,000)</b>	<b>(2,161,167)</b>	<b>(855,446)</b>	<b>(1,013,082)</b>

The Alliance's exposure to foreign currency risk at the reporting date is shown above.

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.

(jii) 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. The Alliance's funds are deposited with banks which have a satisfactory or better rating. All Alliance bank accounts are covered by the Australian Government Deposit Guarantee. For trade and other receivables and investments, 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 trade receivable or group of trade 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 Management 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 \$5,619,441 (2008: \$4,909,131). 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 21 September 2009 by the Federal Management Committee. 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 2009.

22. COMPANY 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 2009 reporting periods. The Alliance's assessment of the impact of these new standards and interpretations is that only one revision applies:

(i) 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 30 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 2009 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 21st day of September 2009

DETAILED INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Federal \$	NSW \$	Victoria \$	Queensland \$	SA \$	WA \$	Tasmania \$	ACT \$	SOMA \$	NZ \$	Imports \$	Campaign & Organising \$	Membership \$	Enquiry desk \$	Finance & Administration \$	CORE INDUSTRIAL \$	Equity Trust \$	Equity Foundatn \$	Walkley Foundation \$	01.07.08 to 30.06.09 TOTAL \$	Previous year 30.06.08 TOTAL \$
<b>MEMBER INCOME</b>																					
Equity	-	1,095,038	959,426	304,682	61,552	91,155	6,534	20,195	-	73,226	134,213	-	-	-	-	2,746,021	-	-	-	2,746,021	2,501,563
Journalists	-	1,515,696	838,643	470,277	212,209	304,576	83,106	194,578	-	-	-	-	-	-	-	3,619,085	-	-	-	3,619,085	3,286,615
Theatrical	-	396,641	301,977	74,992	62,714	27,134	7,414	12,712	-	-	51,611	-	-	-	-	935,195	-	-	-	935,195	915,671
Musicians	-	50,550	-	3,335	-	36,013	-	-	205,464	-	-	-	-	-	-	295,362	-	-	-	295,362	273,095
Campaign levy	-	-	-	-	-	-	-	-	-	-	-	431,152	-	-	-	431,152	-	-	-	431,152	430,252
YR@W levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	694,179
Collection costs	(881)	(32,256)	(21,115)	(6,794)	(5,696)	(5,922)	(981)	(2,599)	(710)	(87)	(677)	-	-	-	(2)	(77,720)	-	-	-	(77,720)	(70,472)
<b>NET MEMBER INCOME</b>	<b>(881)</b>	<b>3,025,669</b>	<b>2,078,931</b>	<b>846,492</b>	<b>330,779</b>	<b>452,956</b>	<b>96,073</b>	<b>224,886</b>	<b>204,754</b>	<b>73,139</b>	<b>185,147</b>	<b>431,152</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>7,949,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,949,095</b>	<b>8,030,903</b>
<b>OTHER INCOME</b>																					
	96,546	189,994	30,686	182	5,002	75,266	3,430	(175)	-	53	-	-	-	-	159,075	560,059	436,009	359,333	1,270,373	2,625,774	2,202,827
<b>TOTAL INCOME</b>	<b>95,665</b>	<b>3,215,663</b>	<b>2,109,617</b>	<b>846,674</b>	<b>335,781</b>	<b>528,222</b>	<b>99,503</b>	<b>224,711</b>	<b>204,754</b>	<b>73,192</b>	<b>185,147</b>	<b>431,152</b>	<b>-</b>	<b>-</b>	<b>159,073</b>	<b>8,509,154</b>	<b>436,009</b>	<b>359,333</b>	<b>1,270,373</b>	<b>10,574,869</b>	<b>10,233,730</b>
Share of overheads	1,789,200	(2,422,320)	(1,098,360)	(342,840)	(89,640)	(145,320)	(19,080)	(83,160)	(53,280)	36,000	-	-	820,080	231,960	1,376,760	-	-	-	-	-	-
<b>FUNDS AVAILABLE</b>	<b>1,884,865</b>	<b>793,343</b>	<b>1,011,257</b>	<b>503,834</b>	<b>246,141</b>	<b>382,902</b>	<b>80,423</b>	<b>141,551</b>	<b>151,474</b>	<b>109,192</b>	<b>185,147</b>	<b>431,152</b>	<b>820,080</b>	<b>231,960</b>	<b>1,535,833</b>	<b>8,509,154</b>	<b>436,009</b>	<b>359,333</b>	<b>1,270,373</b>	<b>10,574,869</b>	<b>10,233,730</b>
<b>COSTS</b>																					
Staff	(757,333)	(287,720)	(401,327)	(258,160)	(180,014)	(122,966)	(53,561)	(85,619)	(88,424)	(60,129)	-	(1,234,493)	(513,177)	(220,150)	(640,311)	(4,803,384)	(203,544)	(185,808)	(421,288)	(5,614,024)	(5,407,039)
Site	(75,600)	(27,000)	(18,591)	(33,184)	(18,871)	(33,640)	(4,201)	(8,221)	(15,840)	(15,680)	-	(162,120)	(44,656)	(19,200)	(159,362)	(636,166)	(19,100)	(17,600)	(35,700)	(708,566)	(778,646)
Admin	(866,420)	(243,205)	(138,415)	(74,706)	(50,825)	(145,119)	(23,678)	(12,808)	(39,494)	(49,874)	-	(138,235)	(180,285)	(6,826)	(761,829)	(2,731,719)	(213,365)	(143,245)	(741,996)	(3,830,325)	(3,675,097)
<b>Total costs</b>	<b>(1,699,353)</b>	<b>(557,925)</b>	<b>(558,333)</b>	<b>(366,050)</b>	<b>(249,710)</b>	<b>(301,725)</b>	<b>(81,440)</b>	<b>(106,648)</b>	<b>(143,758)</b>	<b>(125,683)</b>	<b>-</b>	<b>(1,534,848)</b>	<b>(738,118)</b>	<b>(246,176)</b>	<b>(1,461,502)</b>	<b>(8,171,269)</b>	<b>(436,009)</b>	<b>(346,653)</b>	<b>(1,198,984)</b>	<b>(10,152,915)</b>	<b>(9,860,782)</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>185,512</b>	<b>235,418</b>	<b>452,924</b>	<b>137,784</b>	<b>(3,569)</b>	<b>81,177</b>	<b>(1,017)</b>	<b>34,903</b>	<b>7,716</b>	<b>(16,491)</b>	<b>185,147</b>	<b>(1,103,696)</b>	<b>81,962</b>	<b>(14,216)</b>	<b>74,331</b>	<b>337,885</b>	<b>-</b>	<b>12,680</b>	<b>71,389</b>	<b>421,954</b>	<b>372,948</b>
<b>OTHER TRANSACTIONS</b>																					
Debt reduction levy received and allocated to borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	287,425	-	-	-	287,425	286,841
Non-operating interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72,114	-	-	-	72,114	60,719
Net funds received for Fighting Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,595	-	-	-	27,595	-
Funds received from WA Journalists	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,400
<b>SURPLUS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>725,019</b>	<b>-</b>	<b>12,680</b>	<b>71,389</b>	<b>809,088</b>	<b>774,908</b>
<b>TRANSFERS (TO)/ FROM RESERVES</b>																					
Transfer from WA Journalists Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,481	-	-	-	11,481	(54,400)
Transfer (to)/from SOMA Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(936)	-	-	-	(936)	20,000
Transfer to Fighting Fund Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(299,711)	-	-	-	(299,711)	(175,463)
Walkley Foundation surplus transferred to Walkley Fdn Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(71,389)	(71,389)	(777)
Equity Foundation surplus transferred to Equity Foundation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,680)	-	(12,680)	(49,738)
Transfer to Campaigns Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(85,000)
Transfer to Stability Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(61,928)
<b>SURPLUS added to RETAINED EARNINGS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>435,853</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>435,853</b>	<b>367,602</b>



# Fair Work Australia

11 August 2009

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

Dear Mr Warren,

**Lodgement of Financial Documents for year ended 30 June 2009 [FR2009/10043]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Media, Entertainment and Arts Alliance (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 5 months and 14 days or 6 months and 14 days, depending on your rules, of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on our new Fair Work Australia website. You will find that the legislative requirements remain largely unchanged to that of the former requirements under Schedule 1 of the Workplace Relations Act 1996. The information can be viewed at [FWA Registered Organisations Fact Sheets](#).

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at [RIASydney@fwa.gov.au](mailto:RIASydney@fwa.gov.au). Alternatively, you can forward the documents by fax to (02) 9380 6990.

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (02) 8374 6615 or by email at [RIASydney@fwa.gov.au](mailto:RIASydney@fwa.gov.au).

Yours sincerely,

Steve Teece  
Research Information and Advice Team  
Fair Work Australia

**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) A # designated officer must sign the Statement which must then be 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: • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report.	/ /
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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 <sup>++</sup> – 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 Committee of Management Statement and 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 statement or certificate – s243.

++ The Designated Officer's certificate must state 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. The certificate cannot be signed by a non-elected official.