

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)
ABN: 32 004 078 237

ANNUAL FINANCIAL REPORT

31 DECEMBER 2007

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

FINANCIAL STATEMENTS

31 DECEMBER 2007

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AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)
NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS

Notice is hereby given that the Annual General Meeting of members of the above named association will be held at Flemington Event Centre, Flemington Racecourse, Melbourne on 2nd April 2008 at 7.30 am.

Business:

To receive, consider and adopt the financial report of the association for the year ended 31 December 2007, and the reports by directors and auditors thereon.

By Order of the Board



S.P. KNOTT
Secretary

28 February 2008

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

DIRECTORS' REPORT

Your directors present their report on the association for the year ended 31 December 2007.

Directors

The names of the directors of the Association in office during the financial year and until the date of this report are as follows.

All directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated

Mr. C. Lenegan (President)	Managing Director Rio Tinto Australia
Mr. A. King	Managing Director P&O Maritime Services
Mr. K. Horne	Director HR & EHS Alcoa World Alumina Australia
Mr. G. Gailey (resigned 8/8/07)	Managing Director & Chief Executive Officer Zinifex Limited
Mr. T. Wall	Managing Director Apache Energy Limited
Mr. I. Smith	Managing Director & Chief Executive Officer Newcrest Mining Limited
Ms. Eve Howell (appointed 3/5/07)	Executive Vic President Northwest Shelf Woodside Energy Limited
Mr. P. Johnston (appointed 3/5/07)	Managing Director and Chief Executive Officer Minara Resources Limited
Mr. N. Barrett (appointed 26/7/07)	Chief Executive Officer Sodexo Australia Pty Ltd
Ms. J. Farrell (resigned 30/6/07)	General Manager Human Resources Comalco Aluminium Limited
Mr. E. Ford (resigned 7/2/07)	Chief Executive Officer Anglo Coal Australia Pty Ltd
Mr. D. Byers (resigned 7/2/07)	Manager Human Resources and Public Affairs Exxon Mobil

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

DIRECTORS' REPORT

Principal activity

The principal activity of the Association during the year was to advise and represent members in all aspects of employee relations and there was no significant change in the nature of this activity during that period.

Results

The operating deficit of the Association for the year ended 31 December 2007 was \$484,970 (31 December 2006, deficit \$78,132). The current year deficit reflects a decision by the Association to contribute \$500,000 to the National Business Action Fund to promote employers' industrial relations interests.

At year end the Association maintained a surplus of \$3.133 million.

Review of operations

During the year the Association continued to represent member companies in national issues, localised negotiations, arbitration hearings, and provided consultancy service to members in employee relations' matters and continued to deliver nationally accredited training programs.

Significant changes in the state of affairs

There have been no significant events occurring after balance date which may affect either the Association's operations or results of those operations of the Association's state of affairs.

Likely developments and expected results

It is not likely that the coming year will produce any substantial change to the Association's activities.

Environmental regulation and performance

The Association is not subject to any particular or significant environmental regulation.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

DIRECTORS' REPORT

Future developments and results

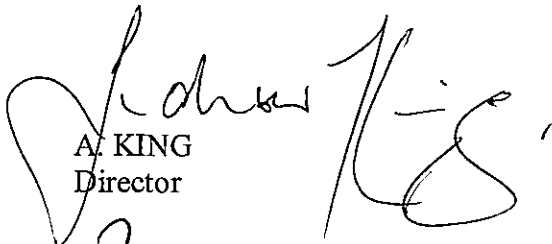
The directors have omitted to make such disclosure, as they believe, on reasonable grounds, that the disclosure of such information is likely to unreasonably prejudice the Association.

Indemnification and insurance of directors

The Association has made an agreement to indemnify all directors for any breach of the Trade Practices Act or discrimination laws by the company, for which they may be held personally liable. The agreement provides for the Association to pay an amount not exceeding \$10,000,000 where:

- (i) the liability does not arise out of conduct involving a lack of good faith; or
- (ii) the liability is for costs and expenses incurred by the director or officer in defending proceedings in which judgement is given in their favour or in which they are acquitted.

Signed in accordance with a resolution of the directors.


A. KING
Director


N Barrett
Director

Date: 28/02/08

Independent auditor's report to the members of Australian Mines & Metals Association (Inc)

We have audited the accompanying financial report of Australian Mines & Metals Association (Inc) (the Association), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of recognised income and expense, and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

The Directors' Responsibility for the Financial Report

The Association's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the *Associations Incorporation Act (Vic)*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

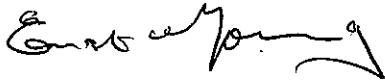
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies. In addition to our audit of the financial report, we were engaged to undertake non-audit services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Australian Mines & Metals Association (Inc) as of 31 December 2007 and of its financial performance and cash flows for the year then ended in accordance with the *Associations Incorporation Act (Vic)* and Australian Accounting Standards (including the Australian Accounting Interpretations).



Ernst & Young
Melbourne

29 February, 2008

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

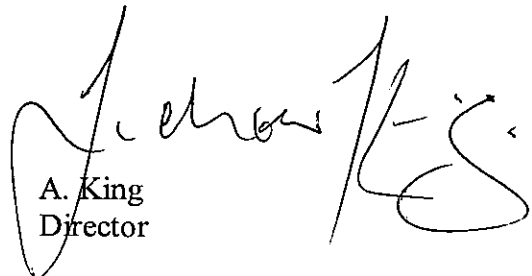
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Australian Mines and Metals Association (Inc.), we state that:

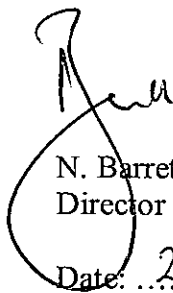
In the opinion of the directors:

- (a) the financial statements of the Association are in accordance with the Association's Incorporation Act, 1981 including:
 - (i) giving a true and fair view of the Association's financial position as at 31 December 2007 and of the Association's performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

On Behalf of the Board



A. King
Director



N. Barrett
Director

Date: 28/02/08

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	Note	2007 \$	2006 \$
Revenues from continuing activities	2	7,037,499	6,482,548
Depreciation and amortisation expenses	3	(171,060)	(174,944)
Rent and outgoings expenses	3	(460,102)	(414,094)
Salaries and employment related expenses		(4,952,694)	(4,554,105)
Meeting and travelling expenses		(378,767)	(437,696)
Other expenses from continuing activities		<u>(1,559,846)</u>	<u>(979,845)</u>
(Deficit)/Surplus from continuing activities before income tax expense		(484,970)	(78,132)
Income tax expense relating to continuing activities		_____ -	_____ -
(Deficit)/Surplus from continuing activities after income tax expense		<u>(484,970)</u>	<u>(78,132)</u>
(Deficit)/Surplus attributable to the members of the Australian Mines & Metals Association (Inc.)	4(a)	<u>(484,970)</u>	<u>(78,132)</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**BALANCE SHEET
AS AT 31ST DECEMBER 2007**

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash on hand		903,825	403,021
Receivables	5	522,395	790,534
Prepayments		19,142	222,890
Other financial assets	6	<u>3,656,344</u>	<u>2,752,207</u>
TOTAL CURRENT ASSETS		<u>5,101,706</u>	<u>4,168,652</u>
NON CURRENT ASSETS			
Property, plant and equipment	7	<u>678,260</u>	<u>619,867</u>
TOTAL NON CURRENT ASSETS		<u>678,260</u>	<u>619,867</u>
TOTAL ASSETS		<u>5,779,966</u>	<u>4,788,519</u>
CURRENT LIABILITIES			
Payables	8	470,643	343,734
Provisions	9	561,256	589,185
Other	10	<u>1,554,998</u>	<u>488,833</u>
TOTAL CURRENT LIABILITIES		<u>2,586,897</u>	<u>1,421,752</u>
NON-CURRENT LIABILITIES			
Provisions	11	<u>59,914</u>	<u>108,341</u>
TOTAL NON-CURRENT LIABILITIES		<u>59,914</u>	<u>108,341</u>
TOTAL LIABILITIES		<u>2,646,811</u>	<u>1,530,093</u>
NET ASSETS		<u>3,133,155</u>	<u>3,258,426</u>
MEMBERS' EQUITY			
Retained surplus	4(a)	1,861,487	2,346,457
Reserves	4(b)	<u>1,271,668</u>	<u>911,969</u>
TOTAL MEMBERS' EQUITY		<u>3,133,155</u>	<u>3,258,426</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**STATEMENT OF CASH FLOWS
YEAR ENDED 31ST DECEMBER 2007**

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		8,692,234	6,177,718
Payments to suppliers and employees		(7,097,108)	(6,516,506)
Interest and investment income		<u>42,411</u>	<u>21,277</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	12(b)	<u>1,637,537</u>	<u>(317,511)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(254,000)	(163,151)
Proceeds from sale of property, plant and equipment		21,404	51,131
Sale/(Purchase) of investments		<u>(904,137)</u>	<u>400,000</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(1,136,733)</u>	<u>287,980</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease principal		_____ -	_____ -
NET CASH FLOWS FROM FINANCING ACTIVITIES		_____ -	_____ -
NET INCREASE/(DECREASE) IN CASH HELD		500,804	(29,531)
Add opening cash brought forward		<u>403,021</u>	<u>432,552</u>
CLOSING CASH CARRIED FORWARD	12(a)	<u>903,825</u>	<u>403,021</u>

The statement of cash flows should be read in conjunction with the accompanying notes.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**STATEMENT OF RECOGNISED INCOME & EXPENSE
YEAR ENDED 31ST DECEMBER 2007**

	2007	2006
	\$	\$
Net gain/(loss) on available for sale financial assets	<u>359,699</u>	<u>310,972</u>
Net income recognised directly in equity	359,699	310,972
Surplus/(deficit) for year	<u>(484,970)</u>	<u>(292,568)</u>
Total recognised income and expense for year	<u>(125,271)</u>	<u>18,404</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Associations Incorporation Act 1981 which include applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus views) have also been complied with.

Statement of Compliance

The financial report complies with Australian Accounting Standard, which include International Financial Reporting Standards (AIFRS).

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Property, plant and equipment

Cost and valuation

Items of property, plant and equipment comprising a class of non-current assets are revalued at the same date on a consistent basis.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount. Where it is expected that a liability for capital gains tax will arise, this expected amount is disclosed by way of note.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Property, plant and equipment – cont.

Depreciation

Depreciation is provided on a diminishing value basis on all property, plant and equipment.

Major depreciation periods are:

	2007	2006
Plant and equipment	4 to 10 years	4 to 10 years

Income tax

The Association is a non-profit making body and therefore exempt from income tax.

Employee entitlements

Charges have been made against the surplus for amounts expected to be paid to employees for accrued annual leave and long service leave.

Provision is made in the accounts for long service leave for all employees. This liability is dissected between current and non-current liabilities, the current portion being the amount which employees with more than 7 years service are entitled to.

Unearned subscription revenue

Unearned subscription revenue represents advance payments for subscriptions received during the year and not brought to account as revenue until the period to which they relate.

Financial instruments

The accounting policies adopted in relation to financial instruments are set out in the Financial Instruments Note.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

	2007	2006
	\$	\$
2. REVENUES FROM ORDINARY OPERATIONS		
Revenues from operating activities		
Subscription income	3,069,886	2,759,925
Non-subscription income	3,850,592	3,594,316
Revenue from outside the operating activities		
Interest and investment income:		
Other entities	120,163	145,971
Profit/(Loss) on the sale of non-current assets	<u>(3,143)</u>	<u>(6,062)</u>
	<u>7,037,498</u>	<u>6,494,150</u>
3. EXPENSES AND LOSSES		
(a) Expenses		
Depreciation of non-current assets		
Plant and equipment	122,927	112,960
Motor vehicles	14,035	23,671
Furniture and fittings	<u>34,098</u>	<u>38,313</u>
Total depreciation of non-current assets	<u>171,060</u>	<u>174,944</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

	2007 \$	2006 \$
Rental expenses		
Operating lease rental	8,380	10,649
Other rental	<u>451,723</u>	<u>403,445</u>
Total rental expenses	<u>460,103</u>	<u>414,094</u>
Doubtful debts	(3,434)	(20,257)
Bad debts written off	-	46,904
(b) Losses		
Net loss/(gain) on disposal of property, plant and equipment	3,143	6,062
4.(a) RETAINED SURPLUS		
Balance at the beginning of year	2,346,457	2,424,589
Net surplus/(deficit) for year	<u>(484,970)</u>	<u>(78,132)</u>
Balance at end of year	<u>1,861,487</u>	<u>2,346,457</u>
4.(b) RESERVES		
Net Unrealised Gains Reserve		
Balance at the beginning of year	911,969	529,569
Net gain on available for sale financial assets	<u>359,699</u>	<u>382,400</u>
Balance at end of year	<u>1,271,668</u>	<u>911,969</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

	2007	2006
	\$	\$
5. RECEIVABLES (Current)		
Trade debtors	525,830	820,277
Less provision for doubtful debts	<u>(3,435)</u>	<u>(29,743)</u>
	<u>522,395</u>	<u>790,534</u>

Provision for doubtful debts movement

Provision balance as at beginning of year	(29,734)	(50,000)
Amount provided (written back during year)	-	46,904
Amount used during year	<u>26,309</u>	<u>(26,647)</u>
Provision balance as at end of year	<u>(3,435)</u>	<u>(29,734)</u>

Aging of current receivables
(excluding provision for doubtful debts)

Year	Current	30-<60 days	60-<90 days	>90 days	TOTAL
	\$	\$	\$	\$	\$
2007	172,469	301,879	34,689	16,793	525,830
2006	486,563	120,961	32,620	180,133	820,277

6. INVESTMENTS (Current)

Term Deposit account	500,000	-
Deutsche Bank investment at market value	<u>3,156,344</u>	<u>2,752,207</u>
	<u>3,656,344</u>	<u>2,752,207</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

	2007	2006
	\$	\$
7. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment, at cost	921,875	823,482
Provision for depreciation	<u>(638,869)</u>	<u>(519,065)</u>
	<u>283,006</u>	<u>304,417</u>
Motor vehicles, at cost	218,169	211,952
Provision for depreciation	<u>(112,062)</u>	<u>(115,262)</u>
	<u>106,107</u>	<u>96,690</u>
Furniture and fittings, at cost	505,440	400,954
Provision for depreciation	<u>(216,293)</u>	<u>(182,194)</u>
	<u>289,147</u>	<u>218,760</u>
Total property, plant and equipment		
Cost	1,645,484	1,436,388
Provision for depreciation and amortisation	<u>(967,224)</u>	<u>(816,521)</u>
Total written down amount	<u>678,260</u>	<u>619,867</u>
Reconciliation		
Plant & Equipment		
Carrying amount at beginning	304,416	262,896
Additions	104,393	155,578
Disposals		
- cost	(6,002)	(1,255)
- accumulated depreciation	3,126	158
Depreciation expense	<u>(122,927)</u>	<u>(112,960)</u>
	<u>283,006</u>	<u>304,417</u>
Motor Vehicles		
Carrying amount at beginning	96,690	161,042
Additions	45,122	-
Disposals		
- cost	(38,905)	(82,796)
- accumulated depreciation	17,235	42,115
Depreciation expense	<u>(14,035)</u>	<u>(23,671)</u>
	<u>106,107</u>	<u>96,690</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

	2007	2006
	\$	\$
7. PROPERTY, PLANT AND EQUIPMENT (Continued)		
Furniture & Fittings		
Carrying amount at beginning	218,760	249,309
Additions	104,484	7,574
Disposals		
- cost	-	(5,830)
- accumulated depreciation	-	190
Depreciation expense	<u>(34,097)</u>	<u>(38,313)</u>
	<u>289,147</u>	<u>218,760</u>
8. PAYABLES		
Trade creditors	178,613	183,104
Other payables	<u>292,030</u>	<u>160,630</u>
	<u>470,643</u>	<u>343,734</u>
9. PROVISIONS (Current)		
Employee entitlements	<u>561,256</u>	<u>589,185</u>
10. OTHER LIABILITIES (Current)		
Subscriptions in advance	<u>1,554,998</u>	<u>488,833</u>
11. PROVISIONS (Non-Current)		
Employee entitlements	<u>59,914</u>	<u>108,341</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

	2007	2006
	\$	\$
12. STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash		
Cash balance comprises:		
- cash at bank/(overdraft)	<u>903,825</u>	<u>403,021</u>
Closing cash balance	<u>903,825</u>	<u>403,021</u>
(b) Reconciliation of net cash (used in)/provided by operating activities to operating surplus after income tax		
Operating surplus/(deficit) after taxation	(484,970)	(78,132)
(Profit)/loss on disposal of non-current assets	3,143	6,062
Depreciation of non-current assets	171,060	174,944
Investment trust distributions	359,699	(137,612)
Changes in net assets and liabilities		
(Increase)/decrease in:		
Current receivables	268,130	59,287
Prepayments	203,748	(179,428)
Increase/(decrease) in:		
Current trade creditors and accruals	126,910	(58,526)
Subscriptions in advance	1,066,165	(244,467)
Current provisions	(272,089)	227,108
Non-current provisions	<u>195,741</u>	<u>(86,747)</u>
Net cash (used in)/provided by operating activities	<u>1,637,537</u>	<u>(317,511)</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

	2007	2006
	\$	\$
13. EXPENDITURE COMMITMENTS		
Operating leases:		
Not later than one year	261,310	324,124
Later than one year but not later than five years	612,338	802,902
Later than five years	<u>-</u>	<u>-</u>
Aggregate lease expenditure contracted for at balance date	<u>873,648</u>	<u>1,127,026</u>

14. MEMBERS' LIABILITY

The Association is an incorporated body limited by guarantee of members, to the extent of \$2 per member, in the event of winding up the Association.

**15. EMPLOYEE ENTITLEMENTS AND
SUPERANNUATION COMMITMENTS**

Employee entitlements

The aggregate employee entitlement liability is comprised of:

Provisions (current)	561,256	589,185
Provisions (non-current)	<u>59,914</u>	<u>108,341</u>
	<u>621,170</u>	<u>697,526</u>

Superannuation commitments

All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans provide accumulated benefits. Employees contribute to the plans at various percentages of their wages and salaries. Contributions by the company of up to 9% of employees' wages and salaries are legally enforceable.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

	2007	2006
	\$	\$

16. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2007.

17. SUBSEQUENT EVENTS

Since the end of the financial year, there has been a significant downward movement in the market value of the shares held in the Association's investment portfolio. There was an 11% decline in the market value of the portfolio as at 31 January 2008. This decline in the market value is estimated to be \$352k.

Apart from that, there were no other matters or circumstances which have arisen since the end of the financial year which have significantly affected or may significantly affect the operation of the Association, the results of those operations, or the state of affairs of the Association.

18. REMUNERATION OF DIRECTORS

Amounts received or due and receivable by the directors of the Association and related bodies corporate

_____	_____
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19. AUDITORS; REMUNERATION

Amounts received or due and receivable by the auditors of Australian Mines and Metals Association (Inc.)

- an audit or review of the financial statements	12,500	11,000
- other services	<u>5,000</u>	<u>4,000</u>
	<u>17,500</u>	<u>15,000</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

20. RELATED PARTY DISCLOSURES

The Directors of Australian Mines and Metals Association (Inc.) during the financial year were:

Mr. C. Lenegan (President)	Managing Director Rio Tinto Australia
Mr. A. King	Managing Director P&O Maritime Services
Mr. K. Horne	Director HR & EHS Alcoa World Alumina Australia
Mr. T. Wall	Managing Director Apache Energy Limited
Mr. I. Smith	Managing Director & Chief Executive Officer Newcrest Mining Limited
Ms. Eve Howell	Executive Vic President Northwest Shelf Woodside Energy Limited
Mr. P. Johnston	Managing Director and Chief Executive Officer Minara Resources Limited
Mr. N. Barrett	Chief Executive Officer Sodexo Australia Pty Ltd

There were no transactions with related parties during the year.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

NOTES TO AND FORMING PART OF THE STATEMENTS AS AT 31ST DECEMBER 2007

21. SEGMENT INFORMATION

The Association operates predominately in one industry – Resources, to advise and represent members in all aspects of industrial relations, and in one geographical area – Australia.

22. FINANCIAL INSTRUCTIONS

(a) Terms, conditions and accounting policies

The Association's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and conditions
(i) Financial assets			
Receivables – Trade	5	Trade receivables are carried at nominal amounts due less any provision for doubtful debt is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
(ii) Financial liabilities			
Trade Creditors And Accruals	8	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the company.	Trade liabilities are normally settled on 30 day terms.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007

22. FINANCIAL INSTRUCTIONS (cont.)

(b) Interest rate risk

The Association's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in:						Total carrying amount as per the balance sheet		Weighted average effective interest rate		
	2007 \$	2006 \$	1 year or less		Over 1 to 5 years		More than 5 years		2007 \$	2006 \$	2007 %	2006 %	
			2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$					
<i>(i) Financial assets</i>													
Cash	-	-	-	-	-	-	-	-	903,825	403,021	403,021	6%	-
Receivables – trade	-	-	-	-	-	-	-	-	522,395	790,534	790,534	-	-
Investment portfolio	-	-	-	-	-	-	-	-	3,656,344	2,752,207	3,656,344	-	-
Bank bills and deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Total financial assets	-	-	-	-	-	-	-	-	5,082,564	3,945,762	5,082,564	-	-
<i>(ii) Financial liabilities</i>													
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	470,643	343,734	470,643	-	-
Subscriptions in advance	-	-	-	-	-	-	-	-	1,554,998	488,833	1,554,998	-	-
Employee entitlements	-	-	-	-	-	-	-	-	621,169	697,526	621,169	-	-
Total financial liabilities	-	-	-	-	-	-	-	-	2,646,810	1,530,093	2,646,810	-	-

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2007**

FINANCIAL INSTRUMENTS (cont.)

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities are reflected by the carrying amounts of such assets and liabilities in the balance sheet.

(i) The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Recognised financial instruments

Cash and cash equivalents: The carrying amount approximates fair value because of the short-term of maturity.

Trade receivables and payables: The carrying amount approximates fair value.

(d) Risk Profile

(i) Credit Risk Exposure

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Association. The Association has adopted the policy of only dealing with creditworthy counterparts along with payment terms of 30 days, as a means of mitigating the risk of financial losses from defaults.

The Association does not have any significant credit risk exposure to any single counter-party or any group of counter-parties having similar characteristics.

The carrying amount of financial assets recorded in the statement of financial position, net of any provision for losses, represents the Association's maximum exposure to credit risk, without taking account of the value of any collateral or other security obtained.

(ii) Price Risk

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values. The investment portfolio is managed professionally and the Association does not rely on investment income to fund its operational activities.

iii) Liquidity Risk

The Association's objective is to maintain a low bank balance position through out the year to meet short term obligations. Liquidity risk is low at the Association due to the active monitoring and management of all the Association's cash and investments.

Disclaimer on Additional Financial Information

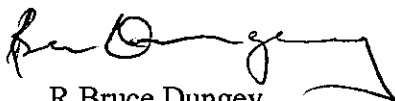
The additional financial information, being the attached Detailed Operating Statement has been compiled by the management of Australian Mines and Metals Association (Inc)

No audit or review has been performed by us and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Australian Mines and Metals Association (Inc) may suffer from any negligence on our part. No person should rely on the additional information without having an audit or review conducted.



Ernst & Young



R Bruce Dungey
Partner

Melbourne

29 February 2008

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**DETAILED OPERATING STATEMENT
YEAR ENDED 31ST DECEMBER 2007**

INCOME	2007	2006
	\$	\$
Subscription income	3,069,886	2,759,925
Non-subscription income	3,850,592	3,582,714
Interest received- commercial bills	42,411	21,277
Profit/(Loss) on sale of NCA	(3,143)	(6,062)
Investment Income	77,752	124,694
	<u>7,037,499</u>	<u>6,482,548</u>
 EXPENDITURE		
Advertising & promotion	92,708	118,290
Advertising - IR Info Campaign	500,000	-
Annual leave expense	283,985	294,102
Accounting & audit fees	15,450	34,428
Bad debts	-	46,904
Bank charges	5,075	8,808
Computer & Systems development	44,998	46,967
Depreciation	171,060	174,944
Educ & Training Set Up Cost	232,925	-
Employee Amenities	20,656	14,394
Fringe benefits tax	42,468	6,272
Insurance	41,419	39,010
Lease charges - operating	8,380	10,649
L & A- consulting fees	57,394	106,044
Long Service Leave expense	44,529	43,227
Meetings & conferences	68,390	89,038
Motor vehicle expenses	27,998	34,325
Newspaper & journals	7,360	10,441
Payroll tax	218,729	218,720
Petty cash expenses	1,795	3,721
Provision for doubtful debts	(11,756)	(20,257)
Printing and stationery	104,546	85,888
Recruitment & relocation	22,153	76,748
Rent & outgoings	451,723	403,445
Repairs & Maintenance	9,035	8,809
Salary & Wages	3,952,734	3,599,559
Staff training & seminars	47,555	43,278
Subscriptions	134,291	160,444
Superannuation expense	382,344	338,249
Superannuation administration	27,514	24,142
Telephone & Postage	163,775	155,330
Traveling expenses	310,377	348,653
Work cover	42,859	36,106
	<u>7,522,469</u>	<u>6,560,679</u>
OPERATING SURPLUS/(DEFICIT)	<u>(484,970)</u>	<u>(78,132)</u>