

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

ANNUAL FINANCIAL REPORT

31 DECEMBER 2008

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

ANNUAL FINANCIAL REPORT

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

Notice is hereby given that the 2009 Annual General Meeting of members of the above named Association will be held at the Adelaide Convention Centre, North Terrace, Adelaide, South Australia, 5000 on 20 April 2009 at 7.30 am.

Business:

To receive, consider and adopt the financial report of the Association for the year ended 31 December 2008, and the reports by directors and auditors thereon.

By Order of the Board



S.P. KNOTT
Secretary

Date: 30 March 2009

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

DIRECTORS' REPORT

Your directors present their report on the Association for the year ended 31 December 2008.

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

Ms. E. Howell (President)	Executive Vic President Northwest Shelf Woodside Energy Limited
Mr. I. Smith (Vice President)	Managing Director & Chief Executive Officer Newcrest Mining Limited
Mr. P. Johnston (Vice President)	Managing Director and Chief Executive Officer Minara Resources Limited
Mr. A. King	Managing Director P & O Maritime Services Pty Ltd
Mr. K. Horne	Executive Director HR & EHS Australia Alcoa of Australia Limited
Mr. N. Barrett	Chief Executive Officer, Australia & New Zealand Sodexo Australia Pty Ltd
Mr. S. Hodgson (appointed 01.02.08)	President and Chief Executive, Bauxite & Alumina Rio Tinto Alcan Limited
Mr. I. Ashby (appointed 01.02.08)	President Iron Ore BHP Billiton Iron Ore Pty Ltd
Mr. U. Yiannis (appointed 01.02.08)	HR Manager, Australia New Zealand & Pacific Islands ESSO Australia Pty Ltd & Mobil Oil Australia Pty Ltd
Mr. C. Lenegan (resigned 26.02.08)	Managing Director Rio Tinto Australia
Mr. T. Wall (resigned 28.11.08)	Managing Director Apache Energy Limited

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. There was no significant change in the nature of this activity during the period.

Results

The operating deficit of the Association for the year ended 31 December 2008 was \$1,143,055 (31 December 2007, deficit \$154,163). The current year deficit is predominantly as a result of impairment losses on listed investments held with the Deutsche Bank.

At year end the Association maintained members' equity of \$ 1,434,348.

Review of operations

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

Significant changes in the state of affairs

There has been no significant events occurring after the 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

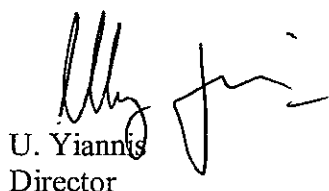
The Association has made an agreement to indemnify all directors for any breach of the Trade Practices Act or discrimination laws by the Association, for which they may be held personally liable. The agreement provides for the Association to pay an amount not exceeding \$10,000,000 where:

- (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.



I. Smith
Director



U. Yiannis
Director

Date:

30/1/29

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

We have audited the accompanying financial report of Australian Mines and Metals Association (Inc.) (the 'Association'), which comprises the balance sheet as at 31 December 2008, 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 director's 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 Association'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 Association'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.

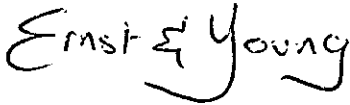
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Australian Mines and Metals Association (Inc.) as of 31 December 2008, 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).

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young
Melbourne
30 March 2009

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

DIRECTORS' DECLARATION

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

In the opinion of the directors:

(a) the financial statements and notes of the Association:

(i) present fairly the Association's financial position as at 31 December 2008 and of its performance for the year ended on that date; and

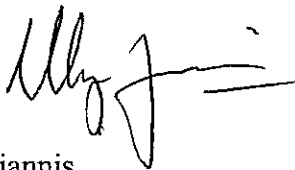
(ii) comply with Accounting Standards; and

(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



I. Smith
Director



U. Yiannis
Director

Date: 30/3/09

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2008**

	Note	2008 \$	2007 \$
Subscription income		3,403,906	3,069,886
Non-subscription income		3,501,857	3,850,592
Member contribution to award modernisation consultancy cost		448,273	-
Other revenue	2	<u>215,091</u>	<u>447,828</u>
Revenue		7,569,127	7,368,306
Depreciation and amortisation expenses	3	(182,332)	(171,060)
Rent and outgoings expenses	3	(642,661)	(460,102)
Salaries and employment related expenses		(5,088,732)	(4,952,694)
Meeting and travelling expenses		(365,405)	(378,767)
Impairment of available for sale financial assets		(866,041)	-
Other expenses	3	<u>(1,567,011)</u>	<u>(1,559,846)</u>
(Deficit)/Surplus before income tax expense		(1,143,055)	(154,163)
Income tax expense		-	-
(Deficit)/Surplus after income tax expense		<u>(1,143,055)</u>	<u>(154,163)</u>
(Deficit)/Surplus attributable to the members of the Australian Mines and Metals Association (Inc.)	4(a)	<u>(1,143,055)</u>	<u>(154,163)</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**BALANCE SHEET
AS AT 31ST DECEMBER 2008**

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash on hand	12	1,342,668	903,825
Receivables	5	662,133	522,395
Prepayments		59,603	19,142
Available for sale financial assets	6	<u>1,636,749</u>	<u>3,656,344</u>
TOTAL CURRENT ASSETS		<u>3,701,153</u>	<u>5,101,706</u>
NON CURRENT ASSETS			
Plant and equipment	7	<u>568,655</u>	<u>678,260</u>
TOTAL NON CURRENT ASSETS		<u>568,655</u>	<u>678,260</u>
TOTAL ASSETS		<u>4,269,808</u>	<u>5,779,966</u>
CURRENT LIABILITIES			
Payables	8	492,343	470,643
Provisions	9	684,956	561,256
Other	10	<u>1,579,988</u>	<u>1,554,998</u>
TOTAL CURRENT LIABILITIES		<u>2,757,287</u>	<u>2,586,897</u>
NON-CURRENT LIABILITIES			
Provisions	11	<u>78,173</u>	<u>59,914</u>
TOTAL NON-CURRENT LIABILITIES		<u>78,173</u>	<u>59,914</u>
TOTAL LIABILITIES		<u>2,835,460</u>	<u>2,646,811</u>
NET ASSETS		<u>1,434,348</u>	<u>3,133,155</u>
MEMBERS' EQUITY			
Retained surplus	4(a)	1,252,541	2,395,596
Reserves	4(b)	<u>181,807</u>	<u>737,559</u>
TOTAL MEMBERS' EQUITY		<u>1,434,348</u>	<u>3,133,155</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**STATEMENT OF CASH FLOWS
YEAR ENDED 31ST DECEMBER 2008**

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		7,241,973	8,692,234
Payments to suppliers and employees		(7,540,610)	(7,097,108)
Interest and investment income		<u>82,986</u>	<u>42,411</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	12(b)	<u>(215,651)</u>	<u>1,637,537</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from term deposit closure		500,000	-
Payment for plant and equipment		(86,102)	(254,000)
Proceeds from sale of plant and equipment		10,596	21,404
Proceeds from the sale of investments		<u>230,000</u>	<u>(904,137)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>654,494</u>	<u>(1,136,733)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
NET INCREASE/(DECREASE) IN CASH HELD		438,843	500,804
Add opening cash brought forward		<u>903,825</u>	<u>403,021</u>
CLOSING CASH CARRIED FORWARD	12(a)	<u>1,342,668</u>	<u>903,825</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 2008**

	2008	2007
	\$	\$
Net fair value gains on available for sale financial assets	359,484	359,699
Transferred realised gains to other revenue	(49,195)	(330,807)
Transferred impairment loss to income statement	<u>(866,041)</u>	-
Net income recognised directly in equity	(555,752)	28,892
Surplus/(deficit) for year	<u>(1,143,055)</u>	<u>(154,163)</u>
Total recognised income and expense for year	<u>(1,698,807)</u>	<u>(125,271)</u>
Effect of adjustment in previous year		
Deficit as reported in 2007 financial report		(484,970)
Impact of adjustment		<u>330,807</u>
Adjusted deficit		<u>(154,163)</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) 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, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for available for sale investments which have been measured at fair value. The financial report is presented in Australian dollars.

b) Statement of Compliance

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

c) New accounting standards and interpretations

Reference	Title	Summary	Application date of standard	Impact on Association financial report	Application date for Group
AASB 1004 (revised)	Contributions	This standard contains the original requirements on contributions from AASB 1004 as issued in July 2004, as well as the requirements on contributions from AASs 27, 29 and 31 substantively unamended (with some exceptions).	1 July 2008	The impact on the financial report is not considered to be significant.	1 January 2009
AASB 1050	Administered Items	This standard contains the requirements for the disclosure of administered items from AAS 29, substantively unamended (with some exceptions).	1 July 2008	The impact on the financial report is not considered to be significant.	1 January 2009

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Reference	Title	Summary	Application date of standard	Impact on Association financial report	Application date for Group
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management reporting approach to segment reporting.	1 January 2009	The impact on the financial report is not considered to be significant.	1 January 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	The impact on the financial report is not considered to be significant.	1 January 2009

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

d) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

e) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the association will not be able to collect the receivable. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

f) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the association commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Available-for-sale securities

Available-for-sale investments are those non-derivative financial assets, principally equity securities, that are designated as available-for-sale. After initial recognition available-for sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date.

g) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing balance basis over the estimated useful life of the specific assets as follows:

Plant and equipment - over 4 to 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

h) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Association as a lessee

Finance leases, which transfer to the Association substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Association will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

i) Trade and other payables

Trade and other payables are carried at amortised cost due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

j) Provisions and employee benefits

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

k) 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.

l) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured.

m) Income tax

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

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

n) Financial instruments

The accounting policies adopted in relation to financial instruments are set out in Note 22.

o) Prior Period Adjustments

During the current year, it was discovered that in prior reporting periods, AMMA did not recycle the realised gains, which had previously been recognised in the available for sale reserve in equity, into the income statement on the sale of certain financial assets.

The comparatives in the 2008 financial statements have been adjusted to reflect the realised gains recognised in the relevant comparative periods. Specifically, the realised gains recognised on the sale of investments prior to the year ended 31 December 2007 have been reflected by increasing retained surplus by \$203,302 to \$2,549,759. Those realised gains recognised on the sale of investments during the year ended 31 December 2007 have been reflected by increasing the gains in the 2007 income statement by \$330,807. Each of these adjustments has also been reflected by reducing the Available for Sale Reserve, as shown in Note 4(b).

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

	2008	2007
	\$	\$
2. OTHER REVENUE		
Interest and investment income	168,674	120,164
Realised gain on disposal of financial assets	49,195	330,807
Profit/(Loss) on the sale of non-current assets	<u>(2,778)</u>	<u>(3,143)</u>
	<u>215,091</u>	<u>447,828</u>
3. EXPENSES AND LOSSES		
(a) Expenses		
Depreciation of non-current assets		
Plant and equipment	108,370	122,927
Motor vehicles	32,645	14,035
Furniture and fitting	<u>41,317</u>	<u>34,098</u>
Total depreciation of non-current assets	<u>182,332</u>	<u>171,060</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

	2008	2007
	\$	\$
3. EXPENSES AND LOSSES (cont.)		
Rental expenses		
Operating lease rental	25,736	8,379
Other rental	<u>616,925</u>	<u>451,723</u>
Total rental expenses	<u>642,661</u>	<u>460,102</u>
Doubtful debts	-	(3,434)
Bad debts written off	40,264	-
Consultancy fees related to the award modernisation	470,152	-
4.(a) RETAINED SURPLUS		
Balance at the beginning of year	2,395,596	2,346,457
Prior period adjustment	<u>-</u>	<u>203,302</u>
Adjusted balance at the beginning of year	2,395,596	2,549,759
Net surplus/(deficit) for year	<u>(1,143,055)</u>	<u>(154,163)</u>
Balance at end of year	<u>1,252,541</u>	<u>2,395,596</u>
4.(b) RESERVES		
Net Unrealised Gains Reserve		
Balance at the beginning of year	737,559	911,969
Prior period adjustment	<u>-</u>	<u>(203,302)</u>
Adjusted balance at the beginning of year	737,559	708,667
Unrealised gain on available for sale financial assets	359,484	359,699
Transferred realised gains to other revenue	(49,195)	(330,807)
Impairment of available for sale financial assets	<u>(866,041)</u>	<u>-</u>
Balance at end of year	<u>181,807</u>	<u>737,559</u>

Net unrealised gains reserve

This reserve records movements in the fair value of available for sale financial assets.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

	2008	2007
	\$	\$
5. RECEIVABLES (Current)		
Trade debtors	662,133	525,830
Less provision for doubtful debts	<u>-</u>	<u>(3,435)</u>
	<u>662,133</u>	<u>522,395</u>

a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of \$40,264 (2007: Nil) has been recognised in the current year. No individual amount within the impairment allowance is material.

Movements in the provision for impairment loss were as follows:

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

b) Aging of current receivables
(excluding provision for doubtful debts)

Year	Current	30-<60 days	60-<90 days	>90 days	TOTAL
	\$	\$	\$	\$	\$
2008	280,693	207,815	79,458	94,166	662,132
2007	172,469	301,879	34,689	16,793	525,830

Receivables past due but not considered impaired are \$381,439 (2007: \$353,361). Each operating unit has been in direct contact with the relevant debtor and is satisfied that payment will be received in full.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

	2008	2007
	\$	\$
6. Available for sale financial assets		
Term Deposit	-	500,000
Deutsche Bank investment at market value	<u>1,636,749</u>	<u>3,156,344</u>
	<u>1,636,749</u>	<u>3,656,344</u>

Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate. The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market.

7. PLANT AND EQUIPMENT

Plant and equipment, at cost	986,331	921,875
Provision for depreciation	<u>(747,259)</u>	<u>(638,869)</u>
	<u>239,072</u>	<u>283,006</u>
Motor vehicles, at cost	209,032	218,169
Provision for depreciation	<u>(147,464)</u>	<u>(112,062)</u>
	<u>61,568</u>	<u>106,107</u>
Furniture and fittings, at cost	525,625	505,440
Provision for depreciation	<u>(257,610)</u>	<u>(216,293)</u>
	<u>268,015</u>	<u>289,147</u>
Total plant and equipment		
Cost	1,720,988	1,645,484
Provision for depreciation and amortisation	<u>(1,152,333)</u>	<u>(967,224)</u>
Total written down amount	<u>568,655</u>	<u>678,260</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

7. PLANT AND EQUIPMENT (cont.)

	2008	2007
	\$	\$
Reconciliation		
Plant & Equipment		
Carrying amount at beginning	283,006	304,416
Additions	65,916	104,393
Disposals		
- cost	(1,460)	(6,002)
- accumulated depreciation	787	3,126
Depreciation expense	<u>(109,177)</u>	<u>(122,927)</u>
	<u>239,072</u>	<u>283,006</u>
Motor Vehicles		
Carrying amount at beginning	106,107	96,690
Additions	-	45,122
Disposals		
- cost	(9,136)	(38,905)
- accumulated depreciation	(3,564)	17,235
Depreciation expense	<u>(31,839)</u>	<u>(14,035)</u>
	<u>61,568</u>	<u>106,107</u>
Furniture & Fittings		
Carrying amount at beginning	289,147	218,760
Additions	20,184	104,484
Disposals		
- cost	-	-
- accumulated depreciation	-	-
Depreciation expense	<u>(41,316)</u>	<u>(34,097)</u>
	<u>268,015</u>	<u>289,147</u>
8. PAYABLES		
Trade creditors	267,184	178,613
Other payables	<u>225,159</u>	<u>292,030</u>
	<u>492,343</u>	<u>470,643</u>

Fair value

Due to the short term nature of payables, the carrying value is assumed to approximate their carrying value. Trade creditors are normally settled on 30 days terms.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

	2008	2007
	\$	\$
9. PROVISIONS (Current)		
Provision for long service leave	274,734	284,352
Provision for annual leave	244,005	276,904
Provision for bonuses	<u>166,217</u>	<u>-</u>
	<u>684,956</u>	<u>561,256</u>
10. OTHER LIABILITIES (Current)		
Subscriptions in advance	<u>1,579,988</u>	<u>1,554,998</u>
11. PROVISIONS (Non-Current)		
Provision for long service leave	<u>78,173</u>	<u>59,914</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

	2008	2007
	\$	\$
12. STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash		
Cash balance comprises:		
- cash at bank	<u>1,342,668</u>	<u>903,825</u>
Closing cash balance	<u>1,342,668</u>	<u>903,825</u>
(b) Reconciliation of net cash (used in)/provided by operating activities to operating surplus after income tax		
Operating (deficit) after taxation	(1,143,055)	(154,163)
(Profit)/loss on disposal of non-current assets	2,778	3,143
Depreciation of non-current assets	182,332	171,060
Investment trust distributions	(132,197)	28,892
Impairment of financial assets	866,041	-
Changes in net assets and liabilities		
(Increase)/decrease in:		
Current receivables	(139,738)	268,130
Prepayments	(40,461)	203,748
Increase/(decrease) in:		
Current trade creditors and accruals	21,700	126,910
Other liabilities	24,990	1,066,165
Current provisions	128,179	(272,089)
Non-current provisions	<u>13,780</u>	<u>(195,741)</u>
Net cash (used in)/provided by operating activities	<u>(215,651)</u>	<u>1,637,537</u>

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

	2008	2007
	\$	\$
13. EXPENDITURE COMMITMENTS		
Operating leases:		
Not later than one year	564,118	261,310
Later than one year but not later than five years	902,835	612,338
Later than five years	<u>-</u>	<u>-</u>
Aggregate lease expenditure contracted for at balance date	<u>1,466,953</u>	<u>873,648</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)	684,956	561,256
Provisions (non-current)	<u>78,173</u>	<u>59,914</u>
	<u>763,129</u>	<u>621,170</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 Association 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 2008**

	2008	2007
	\$	\$

16. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2008.

17. SUBSEQUENT EVENTS

Since the end of the financial year, the Board has approved the liquidation of the available for sale financial assets held in the Deutsche Bank investment portfolio. It is estimated the asset sale will realise up to \$1,300,000 in cash which will be invested in bank deposits.

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	19,000	17,500
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AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

20. RELATED PARTY DISCLOSURES

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

Ms. E. Howell (President)	Executive Vic President Northwest Shelf Woodside Energy Limited
Mr. C. Lenegan	Managing Director Rio Tinto Australia
Mr. A. King	Managing Director P&O Maritime Services Pty Ltd
Mr. K. Horne	Director HR & EHS Australia Alcoa World Alumina Australia
Mr. T. Wall	Managing Director Apache Energy Limited
Mr. I. Smith	Managing Director & Chief Executive Officer Newcrest Mining Limited
Mr. P. Johnston	Managing Director and Chief Executive Officer Minara Resources Limited
Mr. N. Barrett	Chief Executive Officer Sodexo Australia Pty Ltd
Mr. S. Hodgson	President and Chief Executive Bauxite and Alumina Rio Tinto Alcan Limited
Mr. I. Ashby	President Iron Ore BHP Billiton Iron Ore Pty Ltd
Mr. U. Yiannis	HR Manager Australia, New Zealand & Pacific Islands Esso Australia Pty Ltd and Mobil Oil Australia Pty Ltd

The companies represented by these directors are all members of the Association. All membership subscriptions paid by these members are based on normal terms and conditions.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

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.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

22. FINANCIAL INSTRUMENTS

a) 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:				Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate				
	2008 \$	2007 \$	1 year or less		Over 1 to 5 years		More than 5 years		2008 \$	2007 \$	2008 \$	2007 \$	2008 %	2007 %	
			2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$							
<i>(i) Financial assets</i>															
Cash	1,342,668	903,825	-	-	-	-	-	-	-	1,342,668	903,825	-	-	4%	6%
Receivables	-	-	-	-	-	-	-	662,133	522,395	662,133	522,395	-	-	-	-
Available for sale financial assets	-	-	-	-	-	-	-	1,636,749	3,656,344	1,636,749	3,656,344	-	-	-	-
Total financial assets	-	-	-	-	-	-	-	2,298,882	4,178,739	3,641,550	5,082,564	-	-	-	-
<i>(ii) Financial liabilities</i>															
Payables	-	-	-	-	-	-	-	492,343	470,643	492,343	470,643	-	-	-	-
Subscriptions in advance	-	-	-	-	-	-	-	1,579,988	1,554,998	1,579,988	1,554,998	-	-	-	-
Total financial liabilities	-	-	-	-	-	-	-	2,072,331	2,025,641	2,072,331	2,025,641	-	-	-	-

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

22. FINANCIAL INSTRUMENTS (cont.)

b) 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

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.

Available for sale financial assets

The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market.

c) 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.

AUSTRALIAN MINES AND METALS ASSOCIATION (INC.)

**NOTES TO AND FORMING PART OF THE STATEMENTS
AS AT 31ST DECEMBER 2008**

22. FINANCIAL INSTRUMENTS (cont.)

iii) Liquidity Risk

The Association's objective is to maintain an adequate cash 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.

iv) Foreign Exchange Risk

The Association has no exposure to foreign exchange risk.