

ARTS LAW CENTRE OF AUSTRALIA LTD

ABN 71 002 706 256



**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

DIRECTORS' REPORT

The directors of the Arts Law Centre of Australia Ltd present their financial report on the company for the financial year ended 31 December 2008.

Directors

The names of directors in office at any time during or since the end of the year are as below. The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Peter C Heerey
Shauna Jarrett (*resigned 3 Feb 08*)
Megan Brownlow
Peter G Griffin

Jill P McKeough
Steven J Miller
George A Palmer
Hetti Perkins (*appointed 3 Feb 08*)

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Robyn K Ayres – Bachelor of Arts, Bachelor of Laws. Ms Ayres has worked for the Arts Law Centre of Australia Ltd for the past 6 years as the Executive Director.

Principal Activities

The principal activity of the company during the financial year was the provision of legal services to artists and arts organisations.

There were no significant changes in the nature of the company's principal activities during the financial year.

Operating Result

The net deficit of the company for the financial year amounted to \$12,069 (2007: surplus of \$26,856)

Dividends and Options

The company is limited by guarantee and is not permitted to pay dividends or issue options.

Review of Operations

The company operated on a consistent basis to previous years in the conduct of the principal activities noted in this report, and is dependent on grants for the bulk of its income.

Significant Changes in State of Affairs

During or since the end of the financial year there were no significant changes in the company's state of affairs other than that referred to in the financial statements or notes thereto.

DIRECTORS' REPORT (Continued)

After Balance Date Events

No matters or circumstances, other than that referred to in the financial statements or notes thereto, have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future Developments and Results

There are no likely developments in the operations of the company and the expected results of those operations in financial years subsequent to the year ended 31 December 2008 that require disclosure in this report.

Environmental Issues

The company's operations are not regulated by any particular and significant environmental regulation under a law of the Commonwealth or State.

Information on Directors

Peter Cadden Heerey

- Qualifications BA LLB
- Experience Federal Court Judge
- Special Responsibilities Chair of the Victorian Advisory Council, Vice President

Professor Jill McKeough

- Qualifications BA LLB LLM
- Experience Dean, Faculty of Law, University of Technology Sydney
- Special Responsibilities Advocacy and marketing subcommittees

Steven John Miller

- Qualifications B Bus CA
- Experience Chartered accountant
- Special Responsibilities Honorary Treasurer and Finance subcommittee

The Hon Justice George Palmer

- Qualifications BA LLB
- Experience Supreme Court Judge
- Special Responsibilities President

Megan Brownlow

- Qualifications BA(Hons) MBA
- Experience Strategy, Technology, Information, Communications and Entertainment, PricewaterhouseCoopers.
- Special Responsibilities Fundraising & Marketing subcommittee

Peter Gerard Griffin

- Qualifications BBus
- Experience Divisional Manager, Corporate Affairs Strategy and Environment, Toyota Australia
- Special Responsibilities Fundraising & Marketing subcommittee

Hetti Perkins

- Experience Senior Curator of Indigenous art at AGNSW
- Special Responsibilities AITB Reference Group

DIRECTORS' REPORT (Continued)

Meetings of Directors

During the year, 4 meetings of the Board of Directors were held. Attendances were:

	Directors Meetings	
	Eligible to attend	Number attended
Peter C Heerey	4	3
Shauna Jarrett	1	-
Jill P McKeough	4	3
Steven J Miller	4	3
George A Palmer	4	4
Megan Brownlow	4	3
Peter G Griffin	4	2
Hetti Perkins	3	1

Indemnification of Officers or Auditor

The company has not, during or since the year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

with the exception that the company has paid premiums to insure each director against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium for this cover was \$682.

Proceedings on Behalf of Company


No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings, to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2008 has been received and can be found on page 4 of the directors' report.

Signed in accordance with a resolution of the directors.


.....
Steven Miller
Director

Sydney, NSW
Dated this 30th day of March 2009



WALTERTURNBULL
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**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE ARTS LAW CENTRE OF AUSTRALIA
LTD**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Mark Driessen
Registered Company Auditor
WalterTurnbull

Sydney, NSW
Dated this 20th day of March 2009

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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS LAW
CENTRE OF AUSTRALIA LTD
ABN 71 002 706 256**

Report on the Financial Report

We have audited the accompanying financial report of Arts Law Centre of Australia Ltd which comprises the balance sheet as at 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with the *Corporations Act 2001*. The 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 Auditing Standards. These Auditing Standards required 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company's internal control. 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.

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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS LAW
CENTRE OF AUSTRALIA LTD
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Additional Scope pursuant to the Charitable Fundraising Act 1991

In addition, our audit report has been prepared for the members of the Company in accordance with Section 24(2) of the *Charitable Fundraising Act (NSW) 1991*. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Corporations Act 2001*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act (NSW) 1991* and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal period end financial adjustments for such matters as accruals, prepayments, provisioning and valuation necessary for period end financial statement preparation.

The performance of our audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial statements. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designated to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Charitable Fundraising (NSW) Act 1991* and regulations has been formed on the above basis.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 30 March 2009 would be in the same terms if provided to the directors as at the date of this auditor's report.

Qualification

It is not always practicable for the Company to establish accounting control over unsolicited donations prior to receipt of these funds and accordingly it is not possible for our examination to include procedures which extend beyond the amounts of such income recorded in the accounting records of the Company.

In respect to the qualification above, based on our review of the internal controls, nothing has come to our attention, which would cause us to believe that the internal controls over income from fundraising and donations by the Company are not appropriate.



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS LAW
CENTRE OF AUSTRALIA LTD
ABN 71 002 706 256**

Qualified Audit Opinion pursuant to the *Corporations Act 2001*

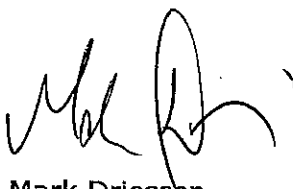
In our opinion, except for the effects, if any of the qualification set out above, the financial report of Arts Law Centre of Australia Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
- ii. complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Qualified Audit Opinion pursuant to the *Charitable Fundraising (NSW) Act 1991*

In our opinion, except for the effects, if any of the qualification set out above:

- a) The financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 31 December 2008;
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2008 to 31 December 2008, in accordance with the *Charitable Fundraising (NSW) Act 1991* and its regulations;
- c) Money received as a result of fundraising appeal activities conducted during the period from 1 January 2008 to 31 December 2008 has been properly accounted for and applied in accordance with the *Charitable Fundraising (NSW) Act 1991* and its regulations; and
- d) There are reasonable grounds to believe that Arts Law Centre of Australia Ltd will be able to pay its debts as and when they fall due.



Mark Driessen
Registered Company Auditor
WalterTurnbull

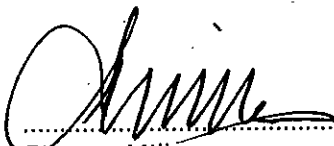
Sydney, NSW
Dated this 5th day of April 2009

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 9 to 25, are in accordance with the *Corporations Act 2001*, and:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 31 December 2008 and performance for the year ended on that date of the Company;
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
3. pursuant to Section 7(4) of the *NSW Charitable Fundraising Regulations 2003*:
 - (a) the income statement is drawn up so as to give a true and fair view of income and expenditure of the Company for the year ended 31 December 2008 with respect to fundraising appeals;
 - (b) the balance sheet and cash flow statement are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2008 with respect to fundraising appeals;
 - (c) the provisions of the *Charitable Fundraising Act (NSW) 1991* and the regulations under the Act and the conditions attached to the Company have been complied with for the year ended 31 December 2008; and
 - (d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of the fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors.


.....
Steven Miller
Director

Dated this 30th day of March 2009 Sydney, NSW

ARTS LAW CENTRE OF AUSTRALIA LTD
ABN 71 002 706 256

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 \$	2007 \$
Revenue	2	867,924	811,804
Staff and related costs		(591,541)	(541,238)
Administration and overheads		(238,793)	(206,234)
Education and publications		(40,883)	(29,869)
Promotion		<u>(8,776)</u>	<u>(7,607)</u>
Profit before income tax expense	3	(12,069)	26,856
Income tax expense	1(a)	<u>-</u>	<u>-</u>
(Deficit) / surplus after income tax		<u>(12,069)</u>	<u>26,856</u>

The accompanying notes form part of these financial statements.

ARTS LAW CENTRE OF AUSTRALIA LTD
ABN 71 002 706 256

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	4	424,936	389,248
Trade and other receivables	5	27,570	14,448
Inventories	6	<u>17,560</u>	<u>19,952</u>
TOTAL CURRENT ASSETS		<u>470,066</u>	<u>423,648</u>
NON-CURRENT ASSETS			
Leasehold improvements, plant and equipment	7	14,637	20,797
Intangible assets	8	-	1,182
Other financial assets		<u>-</u>	<u>300</u>
TOTAL NON CURRENT ASSETS		<u>14,637</u>	<u>22,279</u>
TOTAL ASSETS		<u>484,703</u>	<u>445,927</u>
CURRENT LIABILITIES			
Trade and other payables	9	<u>288,239</u>	<u>237,735</u>
TOTAL CURRENT LIABILITIES		<u>288,239</u>	<u>237,735</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>12,274</u>	<u>11,933</u>
TOTAL NON-CURRENT LIABILITIES		<u>12,274</u>	<u>11,933</u>
TOTAL LIABILITIES		<u>300,513</u>	<u>249,668</u>
NET ASSETS		<u>184,190</u>	<u>196,259</u>
EQUITY			
Retained earnings		<u>184,190</u>	<u>196,259</u>
TOTAL EQUITY		<u>184,190</u>	<u>196,259</u>

The accompanying notes form part of these financial statements.

ARTS LAW CENTRE OF AUSTRALIA LTD
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STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008	2007
		\$	\$
Balance at 1 January		196,259	169,403
(Deficit) / surplus for the year		<u>(12,069)</u>	<u>26,856</u>
Balance at 31 December		<u>184,190</u>	<u>196,259</u>

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government and customers		954,652	850,794
Payments to suppliers and employees		(942,270)	(773,654)
Interest received		27,746	19,917
Net cash provided by operating activities	11	<u>40,128</u>	<u>97,057</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4,740)	(706)
Deposits refunded / (paid)		300	(300)
Net cash (used in) investing activities		<u>(4,440)</u>	<u>(1,006)</u>
Net increase in cash held		35,688	96,051
Cash at the beginning of the financial year		<u>389,248</u>	<u>293,197</u>
Cash at the end of the financial year	4	<u>424,936</u>	<u>389,248</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 1: Statement of Significant Accounting Policies

The financial report is for the Arts Law Centre of Australia Limited (the Company) as an individual entity, incorporated and domiciled in Australia. The Arts Law Centre of Australia Limited is a public company limited by guarantee.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the revaluation of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The Company is exempt from the payment of income tax under Section 50-40 of the Income Tax Assessment Act 1997.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(c) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

Inventories held for distribution are measured at the lower cost and current replacement cost

(d) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at 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 the present value of the estimated future cash outflows to be made for those benefits.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Note 1: Statement of Accounting Policies (Continued)

(e) Leasehold Improvements, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any amount of accumulated depreciation and impairment loss.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment loss.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of its depreciated replacement cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

<i>Class of Non Current Asset</i>	<i>Depreciation Rate</i>
Computer equipment	33.33%
Office furniture	10.0%
Office equipment	10.0% to 40%

(f) Intangibles

Expenditure on website development activities is capitalised if the product is technically and commercially feasible and adequate resources are available to complete the development. The expenditure capitalised comprises all directly attributable costs, including costs of material, services, direct labour and an appropriate proportion of overheads. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Note 1: Statement of Accounting Policies (Continued)

(g) Revenue

Government grants and subscriptions are recognised as revenue in the period to which they relate. Amounts received in the current year, but related to future years are carried in the balance sheet as unearned income.

Royalties are recognised as revenue when the amount received from the agency collects the royalties.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised upon the delivery of goods and services to the client.

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 Tax Office. 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) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights and obligations exist. 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.

Financial Liabilities

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

Impairment

At each reporting date, the group 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

Note 1: Statement of Accounting Policies (Continued)

(e) Unexpended Grants

The company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the company to treat grants monies as unexpended grants in the balance sheet where the company is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not yet been completed.

(j) Comparative Figures

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
Note 2: Revenue		
Operating activities:		
- Grants	651,165	604,467
- Membership subscriptions	72,495	77,928
- Publication sales	38,594	42,742
- Interest Received	27,547	20,044
- Donations	13,403	6,831
- Other Revenue	64,720	59,792
	<u>867,924</u>	<u>811,804</u>
Total Revenue	<u>867,924</u>	<u>811,804</u>

Note 3: Deficit for the Year

The deficit for the year has been determined after:

Expenses:

Cost of sales	14,731	3,411
Depreciation and amortisation	12,084	17,622

Revenue:

Donations ¹	13,403	6,831
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¹ Donations from fundraising were unsolicited non-reciprocal contributions and as such no direct costs of fundraising have been attributed.

Note 4: Cash and Cash Equivalents

Cash at bank and on hand	270,982	235,294
Term deposits	153,954	153,954
	<u>424,936</u>	<u>389,248</u>

Note 5: Trade and Other Receivables

CURRENT

Trade receivables	25,949	12,628
Accrued revenue	1,621	1,820
	<u>27,570</u>	<u>14,448</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
Note 6: Inventories		
CURRENT		
Finished goods at cost:		
- held for sale	10,389	5,964
- held for distribution	<u>7,171</u>	<u>13,988</u>
	<u>17,560</u>	<u>19,952</u>
 Note 7: Leasehold Improvements, Plant and Equipment		
<i>Plant and equipment</i>		
At cost	73,187	70,891
Accumulated depreciation	<u>(67,453)</u>	<u>(61,381)</u>
Total plant and equipment	<u>5,734</u>	<u>9,510</u>
 <i>Leasehold improvements</i>		
At cost	21,390	21,390
Accumulated amortisation	<u>(12,487)</u>	<u>(10,103)</u>
Total leasehold improvements	<u>8,903</u>	<u>11,287</u>
 Total leasehold improvements, plant and equipment	 <u>14,637</u>	 <u>20,797</u>
 (a) Movements in Carrying Amounts		
Movements in leasehold improvements, plant and equipment between the beginning and end of each financial year.		
Carrying amount at the beginning of the year	20,797	32,400
Additions	4,740	706
Disposals	-	-
Depreciation during the year	<u>(10,900)</u>	<u>(12,309)</u>
Carrying amount at the end of the year	<u>14,637</u>	<u>20,797</u>
 Note 8: Intangible Assets		
Website development, at cost	15,955	15,954
Accumulated amortisation	<u>(15,955)</u>	<u>(14,772)</u>
	<u>-</u>	<u>1,182</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
Note 9: Trade and payables		
CURRENT		
Trade creditors and accruals	52,822	46,832
Employee benefits	36,508	64,074
Unexpended grants	171,781	94,696
Unearned membership income	27,128	32,133
	<u>288,239</u>	<u>237,735</u>

Note 10: Provisions

	Long Term Employee benefits
	\$
Opening balance at 1 January 2008	11,933
Additional provisions raised during the year	4,730
Amounts used	(4,389)
Balance at 31 December 2008	12,274

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in note 1 of this report.

Note 11: Cash Flow Information

(a) Reconciliation of cash flow from operations with (deficit)/surplus for the year

(Deficit) / surplus for the year	(12,069)	26,856
<i>Non-cash flows for the year:</i>		
- Depreciation and amortisation	12,082	17,622
<i>Changes in assets and liabilities:</i>		
- (Increase) in receivables	(13,122)	(10,831)
- Decrease / (increase) in inventories	2,392	(10,923)
- (Decrease) / increase in payables	(21,576)	33,648
- Increase in unexpended grants	77,085	38,696
- (Decrease) in unearned income	(5,005)	(6,712)
- Increase in provisions	341	8,701
	<u>40,128</u>	<u>97,057</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
Note 12: Auditors Remuneration		
Remuneration of the auditor of the Company for:		
- Audit of the financial statements	5,900	5,900
 Note 13: Capital and Leasing Commitments		
(a) Operating Lease Commitments		
Payable – minimum lease commitments		
- no later than 12 months	6,600	6,600
- later than 12 months but no later than 5 years	19,250	25,850
- greater than 5 years	-	-
	25,850	32,450

Note 14: Financial Risk Management

(a) Financial Risk Management Policies

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The company does not have any derivative instruments at 31 December 2008.

(i) Treasury Risk Management

The management of the company meets on a regular basis to analyse financial risks and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial Risks Exposures and Management

The main risk the company is exposed to through its financial instruments is liquidity risk.

Interest rate risk

At 31 December 2008 the Company does not have any material interest bearing liabilities and therefore is not materially exposed to fluctuations in interest rates.

Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Note 14: Financial Risk Management (Continued)

(a) Financial Risk Management Policies (Continued)

Liquidity risk

The company manages liquidity by monitoring forecast cash flows and budgets and ensuring that adequate cash reserves are maintained.

Credit risk

The company does not have any material credit risk exposure to any single receivable under financial instruments entered into by the Company.

Price risk

The company is not exposed to any material commodity price risk.

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Interest Rates		Floating Interest Rates		Non-Interest Bearing		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
<i>Financial assets</i>	%	%	\$	\$	\$	\$	\$	\$
Cash Assets	4.61	6.60	424,936	389,248	-	-	424,936	389,248
Receivables	-	-	-	-	27,570	14,448	27,570	14,448
			<u>424,936</u>	<u>389,248</u>	<u>27,570</u>	<u>14,448</u>	<u>416,818</u>	<u>403,696</u>
<i>Financial liabilities</i>								
Payables	-	-	-	-	288,239	237,735	288,239	237,735

Trade and other payables are expected to be paid as follows:

	2008	2007
	\$	\$
Trade and other payables		
Less than 6 months	270,151	205,698
6 months to 1 year	<u>18,088</u>	<u>32,037</u>
	<u>288,239</u>	<u>237,735</u>

(c) Net Fair Values

The net fair values of all financial assets and financial liabilities approximate their carrying amounts. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Note 14: Financial Risk Management (Continued)

(c) Net Fair Values (Continued)

Sensitivity analysis

At 31 December 2008 the company does not have any material interest bearing liabilities and therefore is not materially exposed to fluctuations in interest rates. It has no exposure to fluctuations in foreign exchange or price movements. As such, no sensitivity analysis has been undertaken for any of these risks.

Note 15: Key Management Personnel

(a) Names and positions held of Company's key management personnel in office at any time during the financial year are:

Key Management Person	Position
Peter C Heerey	Vice President – Non-executive
Shauna Jarrett (<i>resigned 3 Feb 08</i>)	Director – Non-executive
Jill P McKeough	Director – Non-executive
Steven J Miller	Treasurer – Non-executive
George A Palmer	President – Non-executive
Megan Brownlow	Director – Non-executive
Peter G Griffin	Director – Non-executive
Hetti Perkins (<i>appointed 3 Feb 08</i>)	Director – Non-executive
Robyn K Ayres	Executive Director

(b) Key Management Personnel Compensation

	Short-term benefits			Post Employment Benefits	Total
	Salary & Fees	Super-annuation	Bonus	Other	
	\$	\$	\$	\$	\$
2008					
Total Compensation	97,817	7,890	-	-	105,707
2007					
Total Compensation	82,757	7,062	-	-	89,819

Note 15: Related Party Transactions

There have been no transactions with related parties that require disclosure in this financial report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Note 16: Segment Reporting

The Company operated in one industry, as a provider of legal advice and assistance to the public and in one geographic area, being Australia.

Note 17: Company Details

The registered office and principal place of business of the company is 43-51 Cowper Wharf Road, Woolloomooloo, NSW, 2011.

Note 18: Members Guarantee

The company is a company limited by guarantee. If the company is wound up, the constitution states that each member of the company is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the company. At 31 December 2008 the number of members was 469.

Note 19: Change in Accounting Policy

The following Australian Accounting Standards issued or amended which are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Entity	
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the entity's financials as the company already capitalises borrowing costs related to qualifying assets.	1 Jan 09	1 Jan 09
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 111	Construction Contracts			
	AASB 116	Property, Plant and Equipment			
AASB 123	AASB 138	Intangible Assets	As above	1 Jan 09	1 Jan 09
AASB 123	Borrowing Costs				
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of recognised income and expenditure.	1 Jan 09	1 Jan 09
AASB 101	AASB 101	Presentation of Financial Statements	As above	1 Jan 09	1 Jan 09

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 21: Change in Accounting Policy (Continued)

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Entity
AASB 1004	AASB 1004 Contributions	<p>The revised AASB 1004: Contributions has been based on the review of the requirements of AAS 27: Financial Reporting by Local Governments, AAS 29: Financial Reporting by Government Departments and AAS 31: Financial Reporting by Governments.</p> <p>Specific considerations have been made in relation to Contributions, Liabilities Assumed by Other Entities, Government Department Disclosures Relating to Revenue, Restructures of Administrative Arrangements and Compliance with Parliamentary Appropriations and Other Externally-Imposed Requirements by Government Departments, to ensure that these are appropriately addressed in AASB 1004. It is not expected that the revisions to AASB 1004 will result in a material change to the recognition and measurement policies of the entity.</p>	1 Jan 09	1 Jan 09



DISCLAIMER

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The additional financial data presented on pages 26 to 27 is in accordance with the books and records of the company, which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2008. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors of omissions therein however caused.

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Mark Driessen
Registered Company Auditor
WalterTurnbull

Sydney, NSW
Date this 3rd day of April 2009

- BUSINESS ADVISORY SERVICES
- ASSURANCE SERVICES
- MANAGEMENT CONSULTING
- FINANCIAL PLANNING
- FRAUD & FORENSIC SERVICES
- ACCOUNTING SOLUTIONS



ARTS LAW CENTRE OF AUSTRALIA LTD
ABN 71 002 706 256

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
INCOME		
<i>Grants and sponsorships:</i>		
Australia Council – Annual	225,000	225,000
Australian Film Commission – Annual	55,000	55,000
NSW Ministry for the Arts – Annual	80,000	80,000
South Australia: Arts SA – Annual	3,900	3,800
Western Australia: Arts WA – Annual	2,500	5,000
Australia Council – Other Project	100,000	100,000
NSW Ministry for the Arts – Other Projects	40,000	40,000
Copyright Agency Limited	50,000	34,069
Arts Victoria	15,000	20,000
Phonograph Performance Co-Grant	25,000	10,000
Others	59,765	31,598
	<u>656,165</u>	<u>604,467</u>
<i>Other income:</i>		
Donations	13,403	6,831
Interest	27,547	20,044
Speaker fees	12,400	3,725
Postage recovered	12,099	14,016
Publication sales	38,594	42,742
Indigenous project recoveries	30,000	39,294
Subscription – ALCA	72,495	77,928
Royalties	1,703	479
Writer fees	-	60
Attendance fees	3,300	2,218
Other	218	-
	<u>211,759</u>	<u>207,337</u>
TOTAL INCOME	<u>867,924</u>	<u>811,804</u>

ARTS LAW CENTRE OF AUSTRALIA LTD
ABN 71 002 706 256

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
EXPENDITURE		
<i>Administration and Overheads:</i>		
Audit fees	5,900	5,900
Bank fees	675	1,022
Cleaning	1,227	1,286
Consultancy and bookkeeping	25,614	24,184
Depreciation and amortisation	12,084	17,622
Electricity	2,024	2,198
Equipment and services - minor	6,929	7,300
Insurances	4,682	4,330
Maintenance: premises	5,139	2,857
Memberships	30,000	39,294
Miscellaneous expenses	8,580	4,193
Postage and courier	3,920	3,842
Printing and stationery	6,527	6,435
Rent	7,172	7,107
Staff amenities	2,739	3,315
Subscriptions	5,168	3,191
Telephone and email	20,154	18,968
Travel	85,418	49,543
Venue hire and catering	3,965	2,189
Website maintenance	876	1,458
	<u>238,793</u>	<u>206,234</u>
<i>Staff and Related Costs</i>		
Long service leave	341	3,057
PBI FBT - exempt payments	86,263	72,762
Practising certificates	2,318	1,089
Salaries, casual wages and annual leave	446,891	402,468
Staff advertising	1,891	2,147
Staff training	5,052	3,974
Superannuation	46,170	41,732
Workers compensation	2,284	2,904
Bonus and Back Pay	331	11,105
	<u>591,541</u>	<u>541,238</u>
<i>Education and Publications</i>		
Library	9,597	6,354
Publications - Art and Law	20,534	20,120
Publications - Others	10,752	3,395
	<u>40,883</u>	<u>29,869</u>
<i>Promotion</i>		
Advertising	3,145	1,455
Brochures	5,631	6,152
	<u>8,776</u>	<u>7,607</u>
TOTAL EXPENDITURE	<u>879,993</u>	<u>784,948</u>
(DEFICIT) / SURPLUS FOR THE YEAR	<u>(12,069)</u>	<u>26,856</u>