University of Western Sydney
Annual Report 2008
Volume 2: Financials

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

University of Western Sydney and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the University of Western Sydney (the University), and the University and controlled entities (the consolidated entity), 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 then ended, and a summary of significant accounting policies and other explanatory notes. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the University and the consolidated entity as of 31 December 2008, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005
- complies with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2008 Reporting Period', issued by the Australian Government Department of Education, Employment and Workplace Relations, pursuant to the *Higher Education Support Act 2003,* the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001.*

My opinion should be read in conjunction with the rest of this report.

Board of Trustees' Responsibility for the Financial Report

The Board of Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 University'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 University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Trustees, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

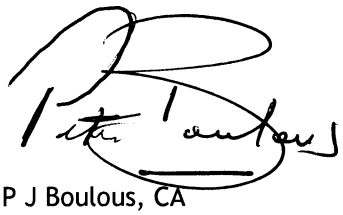
My opinion does *not* provide assurance:

- about the future viability of the University or the consolidated entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



P J Boulous, CA
Director, Financial Audit Services

8 April 2009
SYDNEY

STATEMENT BY THE MEMBERS OF THE BOARD OF TRUSTEES

In accordance with a resolution of the Board of Trustees of the University of Western Sydney and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

1. The financial report presents a true and fair view of the financial position of the University at 31 December 2008, and its financial performance for the year then ended;

2. The financial report has been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005 and the Financial Statement Guidelines for Australian Higher Education Providers for the 2008 Reporting Period;

3. The financial report has been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements and interpretations of the Australian Accounting Standards Board;

4. As at the date of signing this statement we are not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate; and

5. There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due.

John Phillips, AO
Chancellor

8 April 2009

Professor Jan Reid, AM
Vice-Chancellor

8 April 2009

STATEMENT OF CERTIFICATION
AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

1. The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended; and

2. The University of Western Sydney has complied in full with applicable legislation, contracts, agreements and program guidelines in making expenditure.

John Phillips, AO
Chancellor

8 April 2009

Professor Jan Reid, AM
Vice-Chancellor

8 April 2009

START OF AUDITED FINANCIAL STATEMENTS

University of Western Sydney
Income Statement
For the Year Ended 31 December 2008

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	216,596	191,078	216,596	191,078
HECS-HELP - Australian Government payments	2	106,724	97,497	106,724	97,497
FEE-HELP	2	10,013	10,364	9,523	10,364
State and local Government financial assistance	3	250	262	250	262
HECS-HELP - Student payments		18,598	18,175	18,598	18,175
Fees and charges	4	68,852	62,986	54,865	50,082
Investment revenue	5	3,240	1,553	1,566	712
Royalties, trademarks and licences	6	270	118	270	118
Consultancy and contracts	7	10,363	9,466	10,359	9,416
Other revenue	8(a)	24,849	26,111	15,521	15,980
Total revenue from continuing operations		**459,755**	**417,610**	**434,272**	**393,684**
Net gains on disposal of assets	8(b)	8,792	307	8,816	325
Other investment income	5	-	4,552	-	4,320
Total income from continuing operations before deferred Government superannuation contributions		**8,792**	**4,859**	**8,816**	**4,645**
Deferred Government Superannuation Contributions	9	123,574	(17,967)	123,574	(17,967)
Total revenue and income from continuing operations		**592,121**	**404,502**	**566,662**	**380,362**
Expenses from continuing operations					
Employee related expenses	9	271,291	253,536	255,535	239,489
Depreciation and amortisation	10	26,117	24,226	25,597	23,755
Repairs and maintenance	11	13,314	14,545	12,812	13,788
Impairment of assets	12	1,098	2,674	1,101	2,688
Investment losses	5	7,375	-	6,661	-
Other expenses	13	112,117	97,908	109,303	98,510
Total expenses from continuing operations before deferred employee benefits for superannuation		**431,312**	**392,889**	**411,009**	**378,230**
Deferred Employee Benefits for Superannuation	9	123,574	(17,967)	123,574	(17,967)
Total expenses from continuing operations		**554,886**	**374,922**	**534,583**	**360,263**
Operating result attributable to retained surplus		9,083	26,651	3,927	17,170
Operating result attributable to statutory funds		28,152	2,929	28,152	2,929
Operating result attributable to members of the University of Western Sydney	27(c)	**37,235**	**29,580**	**32,079**	**20,099**

The above Income Statement should be read in conjunction with the accompanying notes.

University of Western Sydney
Balance Sheet
As at 31 December 2008

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
ASSETS					
Current assets					
Cash and cash equivalents	14	32,262	17,950	18,899	5,475
Receivables	15	20,818	20,068	18,973	18,352
Other financial assets	16	32,515	59,987	16,836	48,054
Non-current assets classified as held for sale	19	20,440	37,568	20,440	37,568
Other non-financial assets	21	1,947	293	-	-
Total current assets		107,982	135,866	75,148	109,449
Non-current assets					
Receivables	15	163,868	40,626	163,868	40,826
Other financial assets	16	24,056	33,932	24,426	34,168
Property, plant & equipment	17	858,188	797,330	856,034	795,051
Overfunded Superannuation	36	-	2,561	-	2,561
Intangible assets	20	75	-	69	-
Other non-financial assets	21	301	184	132	95
Total non-current assets		1,046,488	874,633	1,044,529	872,701
Total assets		**1,154,470**	**1,010,499**	**1,119,677**	**982,150**
LIABILITIES					
Current liabilities					
Trade and other payables	22	28,576	30,517	25,320	28,849
Provisions	24	46,873	44,482	45,461	43,504
Other liabilities	25	21,925	18,124	18,446	15,515
Total current liabilities		97,374	93,123	89,227	87,868
Non-current liabilities					
Provisions	24	171,756	48,073	171,204	47,607
Other liabilities	25	771	2,461	-	-
Total non-current liabilities		172,527	50,534	171,204	47,607
Total liabilities		**269,901**	**143,657**	**260,431**	**135,475**
Net assets		**884,569**	**866,842**	**859,246**	**846,675**
EQUITY					
Parent entity interest					
Statutory funds	26	47,167	19,015	47,167	19,015
Reserves	27(a)	303,761	324,681	303,761	324,681
Retained surplus	27(b)	533,641	523,146	508,318	502,979
Total equity		**884,569**	**866,842**	**859,246**	**846,675**

The above Balance Sheet should be read in conjunction with the accompanying notes.

University of Western Sydney
Statement of Changes in Equity
For the Year ended 31 December 2008

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Total equity at the beginning of the year		866,842	729,282	846,675	718,197
Adjustment to prior period		-	513	-	113
Restated total equity at the beginning of the year		866,842	729,795	846,675	718,310
Gain on revaluation of land and buildings, net of tax	27(a)	4,660	103,681	4,660	103,681
Gain/(Loss) on revaluation of art collection, net of tax	27(a)	41	(91)	41	(91)
Gain/(Loss) on revaluation of livestock, net of tax	27(a)	32	(6)	32	(6)
Changes in the fair value of available-for-sale financial assets	27(a)	(14,980)	4,682	(14,980)	4,682
Gain on disposal of available-for-sale financial assets	27(a)	(9,261)	-	(9,261)	-
Acquisition of controlled entity		-	(799)	-	-
Net income recognised directly in equity		**(19,508)**	**107,467**	**(19,508)**	**108,266**
Operating result for the period		**37,235**	**29,580**	**32,079**	**20,099**
Total recognised income and expense for the period		**17,727**	**137,047**	**12,571**	**128,365**
Total equity at the end of the year		**884,569**	**866,842**	**859,246**	**846,675**
Total recognised income and expense for the year is attributable to:					
Members of University of Western Sydney		17,727	137,047	12,571	128,365
		17,727	**137,047**	**12,571**	**128,365**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

University of Western Sydney
Cash Flow Statement
For the Year ended 31 December 2008

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Cash flows from operating activities					
Australian Government Grants received	2(i)	336,978	294,645	336,978	294,645
State Government Grants received		250	262	250	262
HECS-HELP - student payments		18,597	18,175	18,597	18,175
Receipts from student fees and other customers (inclusive of goods and services tax)		127,723	123,051	102,919	99,387
Interest received		339	354	83	101
Payments to suppliers and employees (inclusive of goods and services tax)		(418,886)	(376,842)	(395,139)	(352,114)
Net cash provided by / (used in) operating activities	34	**65,001**	**59,645**	**63,688**	**60,456**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		15,806	4,980	15,722	4,697
Payments for property, plant and equipment		(81,495)	(74,954)	(80,986)	(73,883)
Proceeds from sale of financial assets		15,000	30,500	15,000	30,500
Payments for financial assets		(200)	(20,000)	(200)	(20,000)
Repayment of advance by related party		200	-	200	-
Net cash provided by / (used in) investing activities		**(50,689)**	**(59,474)**	**(50,264)**	**(58,686)**
Cash flows from financing activities					
Repayment of finance lease liabilities		-	(725)	-	(725)
Net cash provided by / (used in) financing activities		-	**(725)**	-	**(725)**
Net increase/(decrease) in cash and cash equivalents		14,312	(554)	13,424	1,045
Cash and cash equivalents at beginning of the financial year		17,950	18,504	5,475	4,430
Cash and cash equivalents at the end of the financial year	14(a)	**32,262**	**17,950**	**18,899**	**5,475**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

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Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the University of Western Sydney as an individual entity and the consolidated entity consisting of the University of Western Sydney and its controlled entities.

The financial report for the year ended 31 December 2008 was authorised for issue in accordance with a resolution of the Board of Trustees on 8 April 2009.

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB interpretations, the requirements of the Department of Education, Employment and Workplace Relations and other State/Australian Government legislative requirements.

Compliance with IFRS

The financial statements and notes of the University of Western Sydney comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University of Western Sydney's accounting policies.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Significant judgements

i) The economic entity has elected to measure, property plant and equipment at fair value and to use that fair value as its deemed cost. The valuation of the Plant and Equipment component of Property, Plant and Equipment (Note 17) is the written down historical cost of those assets. Management has assumed that these values are an acceptable surrogate for fair value in the case of this category of asset.

ii) Trade debtors (see Receivables Note 15) would generally be measured at amortised cost which will be approximated by the related nominal value. Management has assumed that there are no significant receivables with fair value materially different from nominal value and that there will be no significant delays in collecting outstanding amounts.

iii) The economic entity holds a number of available-for-sale financial assets and follows the requirements of AASB139 *Financial Instruments: Recognition and Measurement* in determining when an available-for-sale financial asset is impaired. For the year ended 31 December 2008 the economic entity has determined that the decline in value of the available-for-sale investments was not considered significant or prolonged.

In making this judgement the economic entity assessed the duration and extent to which the fair value is less than cost.

If the decline in fair value below cost was considered significant or prolonged the economic entity would have incurred a loss of $1.77M being the transfer of the accumulated fair value adjustments recognised in equity on the impaired available-for-sale financial asset to the income statement.

Note 1. Summary of significant accounting policies (continued)

Critical estimates

Determining the carrying amount of provisions for employee long service leave entitlements (note 24 (b)), deferred superannuation (Note 24 (c)) and allowance for impairment of receivables (note 15) requires estimation of the uncertain future events on those liabilities at the reporting date.

The assumptions made in the assessment of each of the above liabilities are shown in the relevant notes to the accounts.

(b) New Australian Accounting Standards issued but not effective

(i) The University did not early adopt any new accounting standards that are not yet effective.

(ii) The following new Accounting Standards have not been adopted and are not yet effective:

- Revised AASB 3 Business Combinations (1 July 2009);
- Revised AASB 101 Presentation of Financial Statements (1 January 2009);
- Revised AASB 114 Segment Reporting (1 July 2008);
- Revised AASB 116 Property, Plant and Equipment (1 July 2008);
- Revised AASB 127 Consolidated and Separate Financial Statements (1 July 2009);
- Revised AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2008);
- Revised AASB 1004 Contributions (1 July 2008);
- Revised AASB 1049 Whole of Government and General Government Sector Financial Reporting (1 July 2008);
- AASB 1052 Disaggregated Disclosures (1 July 2008);
- AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009);
- AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009);
- AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (1 July 2009);
- AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (1 January 2009);
- AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101 (1 January 2009);
- Revised Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (1 January 2009);
- Revised Interpretation 12 Service Concession Arrangements (1 January 2009).

The University has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

(c) Principles of consolidation

The consolidated financial statements of the economic entity include the assets and liabilities of the University of Western Sydney and its controlled entities as at 31 December 2008 and the results of the University of Western Sydney and its controlled entities for the year then ended. The effects of all material transactions between entities in the economic entity and inter-entity balances have been eliminated in full in preparing the consolidated accounts. Where necessary, dissimilar accounting policies adopted by controlled entities have been amended to ensure consistent policies are adopted within the economic entity. Controlled entities are all those entities over which the economic entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the economic entity controls another entity.

Controlled entities are fully consolidated from the date on which control is transferred to the economic entity. They are de-consolidated from the date that control ceases.

Note 1. Summary of significant accounting policies (continued)

The purchase method of accounting is used to account for the acquisition of controlled entities by the economic entity.

The controlled entities of the University are:

Cadre Design Pty Limited and Trust
Education Training Community Television (ETC TV) Limited
SGSM Limited
Sydney West International College Pty Ltd
Television Sydney (TVS) Limited
Television Sydney Limited
University of Western Sydney Foundation Limited and Trust
UWS College Pty Ltd (formerly known as Linkwest Limited)
uwsconnect Limited
UWS Conference and Residential Colleges Limited
Whitlam Institute (within the University of Western Sydney) Limited and Trust

Separate financial reports are prepared by the University's controlled entities. The Audit Office of NSW audits these reports.

(d) Livestock

The University of Western Sydney maintains livestock for research and teaching purposes. Livestock is valued on the fair value basis. A stock-take of livestock holdings was undertaken at year-end.

(e) Property, plant and equipment

Land, buildings and the art collection are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuation was undertaken as at 31 December 2007 by the Rushton Group, Department of Lands Valuation Services and Digby Hyles Fine Art Services.

Land mainly comprises land held for educational purposes. The economic entity undertakes a regular review of its land holdings in light of the future academic footprint of the University. Re-evaluation may be undertaken from time to time on land originally designated for educational use with a view to realising monies to fund infrastructure requirements via sale and or joint development, following appropriate re-zoning of the land to allow alternate uses.

The fair value of land is the amount for which the land could be exchanged between willing parties in an arms length transaction, based on market prices for similar properties, with similar zoning, in comparable locations and condition. The economic entity expects that the fair value of land scheduled for rezoning or already rezoned to allow alternate use shall be different to land available for educational use only. Valuers engaged to determine the fair value of the land have taken into account the intended use and ultimate disposal of the land, as applicable.

During the 2006 reporting period the economic entity created a Property Development Reserve (Note 27) to record funds set aside for campus development purposes. For the 2008 reporting period the relevant accumulated balance is now reported as the UWS Property Development Fund in Note 16(a).

Due to the specialised nature of buildings and the lack of directly comparable sales evidence, the 31 December 2007 valuation was undertaken utilising the Summation Valuation approach, whereby the cost to construct improvements as new is estimated and that amount depreciated, after taking into consideration the nature and design of the improvements, their age and the current condition. The Depreciated Replacement Cost of the improvements was then added to the underlying land value, which was derived after analysis of comparable sales evidence.

Note 1. Summary of significant accounting policies (continued)

In valuing the Art Collection Digby Hyles Fine Art Services utilised certain historical facts and relevant market data available up to the date of the valuation.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 economic entity and the cost of the item can be measured reliably. All other costs are charged to the income statement during the financial period in which they are incurred.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of land, buildings and art collection are credited to asset revaluation reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same class of asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset class; all other decreases are charged to the income statement.

Land and the art collection are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts over their estimated useful lives, as follows:

	%
Computing (Mainframe & Networking)	25
Computing (Other)	33.33
Vehicles	15
Scientific	10
Audio Visual	10
Printing	10
Other	10
Buildings (except where a limit of useful life of a building has been identified)	2.5
Library Collection	20

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated useful life of the improvements.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is economic entity policy to transfer the amounts in reserves in respect of those assets to retained earnings.

(g) Non-current assets classified as held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use (Note 19).

Note 1. Summary of significant accounting policies (continued)

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

The University's Board of Trustees has determined to actively pursue the development of its land assets as part of a wider strategy to secure financial self reliance and to provide capital for investment in its core focus areas of teaching and learning, research and community engagement. There are several parcels of land which have been identified for disposal. There are several interested parties and sales are expected to be completed before the end of December 2009.

The fair value of non-current assets classified as held for sale is $20.44M. An independent valuation of the property was undertaken as at 31 December 2007 by the Rushton Group.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (Note 12). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are due for settlement no more than 14 days from the date of recognition with the exception of Deferred government contribution for superannuation.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the economic entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the movement in the provision is recognised in the income statement.

When a trade receivable is uncollectable the amount of the loss is recognised in the income statement within 'impairment of assets'. Subsequent recoveries of amounts previously written off are credited to 'other revenue' in the income statement.

(k) Insurance

The University of Western Sydney insures externally for all significant areas of risk exposure and accordingly, is not a self-insurer and makes no provision in its financial statements for internal coverage.

Workers' Compensation insurance is currently held with Employers Mutual Insurance. Property and liability protections (including General and Products Liability, Professional Liability, Medical Malpractice, Clinical Trials and Directors and Officers) are arranged with Unimutual.

Note 1. Summary of significant accounting policies (continued)

(l) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, Employment and Workplace Relations (DEEWR) the effects of the unfunded superannuation liabilities of the University of Western Sydney and its controlled entities were recorded in the Income statement and the Balance Sheet for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

An Arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University of Western Sydney's beneficiaries of the State Superannuation Schemes, on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988* and subsequent amending legislation.

The unfunded liabilities have been recognised in the Balance Sheet under Provisions (Note 24(c) - $163.868M) with a similar asset recognised under Receivables (Note 15- $163.868M).

Mercer Human Resource Consulting Ltd assessed the gross superannuation liabilities for the defined benefits schemes administered by the SAS Trustee Corporation for the year ended 31 December 2008. These schemes included the State Superannuation Scheme, the State Authorities Superannuation Scheme and the State Authorities Non-Contributory Superannuation Scheme. This assessment was based on the full requirements of AASB 119. See Note 24(c) for full details of the University's unfunded superannuation position.

The actuary reported a substantial liability increase ($123.574M) as at 31 December 2008. The increase has been recognised as Revenue-Deferred Government Contributions ($123.574M) and Expenditure-Deferred Employee Benefits ($123.574M).

The University of Western Sydney also contributes to Unisuper (formerly Superannuation for Australian Universities [SSAU]) for academic staff appointed since 1 March 1988 and all other staff from 1 July 1991. Unisuper is a fully funded scheme and hence is not subject to deferred liability variations.

The Unisuper Defined Benefit Division is a defined contribution fund for the purpose of AASB 119 Employee Benefits.

Contributions to Unisuper have been included in Note 9 Employee Related Expenses.

All University employees, including casuals, receive superannuation benefits equal to or exceeding the Superannuation Guarantee Levy.

(m) Investments and other financial assets

The economic entity classifies its investments in the following categories: "financial assets at fair value through profit or loss", "available-for-sale financial assets" and "receivables". The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Financial assets at fair value through profit or loss

The economic entity has designated a portion of its investment portfolio at fair value through profit or loss on initial recognition. A financial asset is classified in this category if so designated by management. The policy of management is to designate a financial asset as at fair value through profit or loss if there is the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. For the economic entity, assets in this category are units in pooled managed investments as follows;

i) NSW Treasury Corporation Cash Facility, and
ii) ING Optimix Balanced Trust

Note 1. Summary of significant accounting policies (continued)

Both investments are classified as current assets in the Balance Sheet (Notes 14 and 16) as they are expected to be realised within 12 months of the balance sheet date to meet cash requirements and planned capital infrastructure commitments.

AASB 132 and AASB 139 were amended effective from 1 January 2006 to place restrictions on the designation of financial assets at fair value through profit or loss.

These restrictions do not impact upon the designations made by the economic entity as the relevant group of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy. Information about the economic entity is provided internally on that basis to the Strategy and Resources Committee of the Board of Trustees and the University Executive.

Revenue from financial assets at fair value through profit or loss is an important component of the annual operating budget. Actual to budget reports are submitted to the Board of Trustees on a quarterly basis and to the University Executive monthly. The economic entity's investment strategy has been formulated by the University Investment Committee with an emphasis on maximising income streams from this group of financial assets. The Investment Committee also closely monitors the performance of funds managers in generating that revenue.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are designated in this category.

The economic entity has designated as available-for-sale its units held in the following pooled managed funds;

i) NSW Treasury Corporation Long Term Growth Facility, and
ii) ING Optimix Growth Trust

The NSW Treasury Corporation Long Term Growth Facility units have been classified as current assets in the Balance Sheet (Note 16) as it is expected that they will be realised within twelve months of the balance sheet date to supplement cash requirements and planned capital infrastructure commitments.

The ING Optimix Growth Trust Units are included as non-current assets in the Balance Sheet (Note 18) as management does not expect to dispose of these investments within twelve months of the balance sheet date, intending to hold them to meet longer term liabilities e.g. deferred employee benefits.

(iii) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets.

(iv) Recognition and derecognition of financial assets

Purchases and sales of investments are recognised on trade-date - the date on which the economic entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the economic entity has transferred substantially all the risks and rewards of ownership.

(v) Realised and unrealised gains

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the income statement in the period in which they arise (Note 5). Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are

Note 1. Summary of significant accounting policies (continued)

recognised in equity in the available-for-sale investments revaluation reserve (Note 27(a)). When investments classified as available-for-sale are sold, the accumulated fair value adjustments are included in the Income Statement as gains and losses on sale of available-for-sale financial assets (Note 9).

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

(vi) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Receivables are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and on-monetary securities classified as available-for-sale are recognised in equity.

(vii) Fair Value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the economic entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(n) Intangible Assets

(i) Licences

Licenses have a finite useful life and are carried at fair value less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licenses across their estimated useful lives (see Note 20).

(o) Accounting for Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of GST except in a circumstance where the GST incurred is not recoverable from the Australian Taxation Office, i.e. when input tax classification applies or no tax invoice is held. 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 shown in the Balance Sheet include GST. The net amount of GST receivable from the Australian Taxation Office is included within debtors in the Balance Sheet.

(p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The economic entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future

Note 1. Summary of significant accounting policies (continued)

economic benefits will flow to the economic entity and specific criteria have been met for each of the economic entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The economic entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Government financial assistance

The University of Western Sydney treats operating grants received from Australian government entities as income in the year of receipt.

(ii) Student fees and charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance. Fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

(iii) Investment income

Revenue is recognised as the interest accrues using the effective interest method.

(iv) Consulting and contracting

Revenue is recognised by reference to stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a total percentage of total estimated labour hours for each contract.

(v) Lease income

Lease income from operating leases is recognised on a straight line basis over the lease term.

All other material revenue is accounted for on an accrual basis.

(q) Leases

Leases of fixed assets are classified as finance leases, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the University or its controlled entities. Finance leases are capitalised, recording an asset (Note 17) and a liability (Note 25) equal to the present value of the minimum lease payments, including any guaranteed residual values. Finance leases assets are depreciated on a straight-line basis over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred (Note 12).

(r) Research grants and contracts

Private (Non-DEEWR) research grants and contracts are received by the University in advance of research services being provided and represent reciprocal transfers as specific research services are agreed between the University and the research contractee, with an acquittal process following the provision of the research service. The University of Western Sydney treats unspent private research grants as a liability (part Deferred Income-Note 25). In 2008 this amounted to $9.948M (2007: $7.959M). In the 2007 reporting period the $7.959M has been treated as income.

(s) Foreign currency translation

Both the functional and presentation currency of the University of Western Sydney and its controlled entities is Australian Dollars (A$).

Transactions in foreign currencies are recorded in the functional currency at the exchange rates ruling at the date of the transaction.

Note 1. Summary of significant accounting policies (continued)

(t) Foreign operations

The University of Western Sydney operates a small number of teaching programs in the Asia region.

(u) Rounding of amounts

Amounts in the financial report have been rounded off in accordance with Class order 98/0100 as amended by Class order 04/667 issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the Financial Report. Amounts have been rounded off to the nearest thousand dollars.

		Consolidated		Parent Entity	
		2008	2007	2008	2007
	Notes	$'000	$'000	$'000	$'000

Note 2. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes

(a) Commonwealth Grant Scheme and Other Grants	35.1				
Commonwealth Grant Scheme#		150,231	143,292	150,231	143,292
Indigenous Support Program		1,064	1,018	1,064	1,018
Equity Support Program		264	264	264	264
Disability Support Program		503	591	503	591
Workplace Reform Program		2,206	2,149	2,206	2,149
Workplace Productivity Program		877	301	877	301
Capital Development Pool		11,300	16,363	11,300	16,363
Collaboration and Structural Reform Program*		4,021	-	4,021	-
Improving the Practical Component of Teacher Education Initiative		247	-	247	-
Transitional Cost Program		3,264	-	3,264	-
Other		54	-	54	-
Total Commonwealth Grants Scheme and Other Grants		174,031	163,978	174,031	163,978
(b) Higher Education Loan Programmes	35.2				
HECS-HELP		106,724	97,497	106,724	97,497
FEE-HELP		10,013	10,364	9,523	10,364
Total Higher Education Loan Programmes		116,737	107,861	116,247	107,861
(c) Scholarships	35.3				
Australian Postgraduate Awards		1,323	1,319	1,323	1,319
International Postgraduate Research Scholarships		280	276	280	276
Commonwealth Education Cost Scholarships		2,008	1,465	2,008	1,465
Commonwealth Accommodation Scholarships		1,453	1,772	1,453	1,772
Indigenous Access Scholarships		98	-	98	-
Total Scholarships		5,162	4,832	5,162	4,832
(d) DIISR - Research	35.4				
Institutional Grants Scheme		3,125	3,225	3,125	3,225
Research Training Scheme		7,643	7,847	7,643	7,847
Research Infrastructure Block Grants		1,294	1,257	1,294	1,257
Implementation Assistance Program		123	60	123	60
Australian Scheme for Higher Education Repositories		303	159	303	159
Commercialisation Training Scheme		72	70	72	70
Total DIISR - Research Grants		12,560	12,618	12,560	12,618

Note 2. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
(e) Voluntary Student Unionism	35.5				
VSU Transition Fund		1,800	3,200	1,800	3,200
Total VSU		1,800	3,200	1,800	3,200
(f) Better Universities Renewal Funding	35.5				
Total BURF		15,854	-	15,854	-
(g) Australian Research Council					
(i) Discovery	35.6(a)				
Projects		3,200	2,458	3,200	2,458
Indigenous Researchers Development		188	17	188	17
Total Discovery		3,388	2,475	3,388	2,475
(ii) Linkages	35.6(b)				
Special Research Initiatives		361	654	361	654
Infrastructure		-	15	-	15
International		21	39	21	39
Projects		1,799	1,964	1,799	1,964
Total Linkages		2,181	2,672	2,181	2,672
(iii) Networks and Centres	35.6(c)				
Research Networks		448	466	448	466
Centres		88	67	88	67
Total Networks and Centres		536	533	536	533

Includes the basic CGS grant amount, CGS - Regional Loading and CGS - Enabling Loading and HEFA Transition Fund.

* Includes Diversity and Structural Adjustment Fund

(h) Other Australian Government financial assistance				
Indigenous Tutorial Assistance Scheme	210	154	210	154
Away-From-Base Assistance	429	616	429	616
University Mobility in Asia and the Pacific	134	-	134	-
Structured Training and Employment Program	121	-	121	-
AIATSIS	18	-	18	-
WSROC Indigenous Training Incentive	12	-	12	-
AIPC	98	-	98	-
Commonwealth Department of Health	62	-	62	-
Total Other Australian Government financial assistance	1,084	770	1,084	770
Total Australian Government financial assistance	**333,333**	**298,939**	**332,843**	**298,939**

		Consolidated		Parent Entity	
		2008	2007	2008	2007
	Notes	$'000	$'000	$'000	$'000

Note 2. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes (continued)

Reconciliation					
Australian Government Grants [a+c+d+e+f+g+h]		216,596	191,078	216,596	191,078
HECS-HELP - Australian Government Payments		106,724	97,497	106,724	97,497
Other Australian Government Loan Programmes (FEE-HELP)		10,013	10,364	9,523	10,364
Total Australian Government financial assistance		**333,333**	**298,939**	**332,843**	**298,939**
(i) Australian Government Grants received - cash basis					
CGS and Other DEEWR Grants	35.1	174,031	163,978	174,031	163,978
Higher Education Loan Programmes	35.2	120,110	104,034	120,110	104,034
Scholarships	35.3	5,162	4,832	5,162	4,832
DIISR Research	35.4	12,560	12,618	12,560	12,618
Voluntary Student Unionism	35.5	1,800	3,200	1,800	3,200
Better Universities Renewal Funding	35.5	15,854	-	15,854	-
ARC Grants - Discovery	35.6(a)	3,402	2,402	3,402	2,402
ARC Grants - Linkages	35.6(b)	2,476	2,408	2,476	2,408
ARC Grants - Networks and Centres	35.6(c)	521	491	521	491
Other Australian Government Grants		1,062	682	1,062	682
Total Australian Government Grants received - cash basis		**336,978**	**294,645**	**336,978**	**294,645**
OS-Help (Net)	22	20	-	20	-
Total Australian Government funding received - cash basis		**336,998**	**294,645**	**336,998**	**294,645**

Note 3. State Government financial assistance

NSW Health Department	150	147	150	147
NSW Department of Planning	-	115	-	115
NSW Department of Environment & Climate Change	100	-	100	-
Total State Government financial assistance	**250**	**262**	**250**	**262**

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Note 4. Fees and charges					
Course fees and charges					
Fee-paying overseas students		48,562	46,169	46,853	40,600
Continuing education		3,919	372	-	-
Fee-paying domestic postgraduate students		4,068	4,600	4,067	4,600
Fee-paying domestic undergraduate students		934	405	127	72
Fee-paying domestic non-award students		1,940	1,847	1,703	1,563
Other domestic course fees and charges		3,980	4,479	625	1,678
Total course fees and charges		63,403	57,872	53,375	48,513
Other non-course fees and charges					
Student accommodation charges		3,811	3,380	-	-
Direct application fees		89	153	89	153
Deferral fees		99	89	99	89
Academic transcripts		162	160	162	160
Graduation fees		319	285	319	285
Academic dress hire		273	258	273	258
Academic dress sales		57	74	57	74
Library fines		334	342	334	342
Library replacement fees		69	61	69	61
Other		236	312	88	147
Total other fees and charges		5,449	5,114	1,490	1,569
Total fees and charges		**68,852**	**62,986**	**54,865**	**50,082**
Note 5. Investment revenue and income					
Interest revenue - National Australia Bank		339	354	83	101
Interest revenue - New South Wales Treasury Corporation		2,901	1,199	1,483	611
Total investment revenue		**3,240**	**1,553**	**1,566**	**712**
Change in fair value of financial assets designated at fair value through profit and loss - ING Investment Management		-	4,552	-	4,320
Total other investment income		**-**	**4,552**	**-**	**4,320**
Change in fair value of financial assets designated at fair value through profit and loss - ING Investment Management		(7,375)	-	(6,661)	-
Total other investment losses		**(7,375)**	**-**	**(6,661)**	**-**
Net investment income		**(7,375)**	**4,552**	**(6,661)**	**4,320**
Note 6. Royalties, trademarks and licences					
Royalty and intellectual property		270	118	270	118
Total royalties, trademarks and licences		**270**	**118**	**270**	**118**

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000

Note 7. Consultancy and contracts

Consultancy	2,117	2,072	2,113	2,022
Contract research	8,246	7,394	8,246	7,394
Total consultancy and contracts	**10,363**	**9,466**	**10,359**	**9,416**

Note 8. Other revenue and income

(a) Other revenue				
Donation & bequests	1,999	1,091	1,279	871
Scholarship & prizes	939	572	441	162
Refund of franking credits	458	591	458	591
Commercial leases & other rental income	3,307	3,617	2,902	3,221
Conference & seminar income	707	275	707	275
Patient fees	261	275	261	275
Service income	785	-	1,790	390
Parking fees	1,567	1,064	1,567	1,064
Commission income	421	403	403	382
Salary recoveries	1,231	1,319	1,231	1,319
Insurance recoveries	175	119	175	119
Non-salary recoveries	847	712	1,021	961
Sale of goods	9,658	11,326	1,660	1,860
Contribution of Assets	52	127	1	5
Field study fees	111	106	111	106
Realised foreign exchange gains	140	45	140	45
Transfer from provision for impaired receivables	25	1,769	24	1,769
Transfer from provision for broadcasting services	-	1,080	-	1,080
Other	2,166	1,620	1,350	1,485
Total other revenue	24,849	26,111	15,521	15,980
(b) Other income				
Gains / (losses) on disposal of assets:				
Net gain/(loss) on disposal of property, plant & equipment	(469)	307	(445)	325
Net gain on disposal of available-for-sale financial assets	9,261	-	9,261	-
Total gains / (losses) on disposal of assets	8,792	307	8,816	325
Total other revenue & income	**33,641**	**26,418**	**24,337**	**16,305**

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Note 9. Employee related expenses					
Academic					
Salaries		109,936	106,826	106,278	103,368
Contributions to superannuation & pension schemes:					
Emerging cost		894	1,241	894	1,241
Funded		14,074	13,458	13,762	13,131
Payroll tax		7,268	6,973	7,031	6,733
Workers' compensation		790	602	755	576
Long service leave expense		4,482	3,652	4,463	3,619
Annual leave		948	940	732	1,051
Total academic		138,392	133,692	133,915	129,719
Non-academic					
Salaries		105,359	96,321	96,083	88,049
Contributions to superannuation & pension schemes:					
Emerging cost		282	392	282	392
Funded		14,333	12,875	13,454	12,112
Payroll tax		6,737	6,100	6,444	5,852
Workers' compensation		849	749	687	474
Long service leave expense		4,306	3,283	4,201	3,218
Annual leave		906	(106)	469	(327)
Other		127	230	-	-
Total non-academic		132,899	119,844	121,620	109,770
Total employee related expenses		**271,291**	**253,536**	**255,535**	**239,489**
Deferred government employee benefits for superannuation		123,574	(17,967)	123,574	(17,967)
Total employee related expenses, including deferred government employee benefits for superannuation		**394,865**	**235,569**	**379,109**	**221,522**

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Note 10. Depreciation and amortisation					
Depreciation					
Buildings		13,614	10,873	13,614	10,873
Investment property		-	283	-	283
Plant & equipment					
Vehicles		1,335	1,485	1,219	1,375
Computing equipment		1,526	1,705	1,523	1,705
Science equipment		1,739	1,545	1,739	1,545
Audio visual equipment		1,172	1,138	1,167	1,132
Printing equipment		12	12	12	12
Other plant and equipment		1,822	1,305	1,484	1,069
Library collection		4,447	5,005	4,447	5,005
Total depreciation		25,667	23,351	25,205	22,999
Amortisation					
Buildings under finance lease		-	574	-	574
Leasehold improvements		244	301	186	182
Intangibles		206	-	206	-
Total amortisation		450	875	392	756
Total depreciation and amortisation		**26,117**	**24,226**	**25,597**	**23,755**
Note 11. Repairs and maintenance					
Buildings		9,677	11,229	9,488	10,795
Plant and equipment		3,077	2,692	2,778	2,377
Information technology		310	412	306	412
Motor vehicles		250	212	240	204
Total repairs and maintenance		**13,314**	**14,545**	**12,812**	**13,788**
Note 12. Impairment of assets					
Impairment of receivables		1,098	786	1,101	800
Impairment of other financial assets		-	1,888	-	1,888
Total impairment of assets		**1,098**	**2,674**	**1,101**	**2,688**

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000

Note 13. Other expenses

Staff development	2,189	2,014	2,152	1,973
Building leases	982	895	167	286
Cleaning & waste removal	4,900	4,170	4,275	3,649
Security	1,547	1,110	1,529	1,106
Travel	6,282	5,269	6,076	5,238
Motor vehicle	341	116	285	45
Non-capitalised equipment	4,894	4,491	4,592	3,823
Fees for service	33,600	26,057	33,657	25,875
Minimum lease payments from operating leases	6,838	5,764	6,790	5,713
Consumables & supplies	14,981	15,747	13,200	13,077
Advertising, marketing & promotional expenses	5,942	5,098	4,946	3,946
Overheads	6,766	6,437	6,560	6,257
Communication costs	3,565	3,167	3,452	3,133
Scholarships, grants & prizes	11,680	10,766	11,170	10,433
Student service fees	284	311	1,865	1,935
UWS Foundation Trust	-	-	3,200	8,700
Other expenses	7,326	6,496	5,387	3,321
Total other expenses	**112,117**	**97,908**	**109,303**	**98,510**

Note 14. Cash and cash equivalents

Cash at bank and on hand	7,066	6,395	1,897	2,310
Petty cash	66	5	66	5
NSW Treasury Corporation Cash Facility	25,130	11,550	16,936	3,160
Total cash and cash equivalents	**32,262**	**17,950**	**18,899**	**5,475**

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:

Balances as above	32,262	17,950	18,899	5,475
Balance per cash flow statement	**32,262**	**17,950**	**18,899**	**5,475**

(b) Allocation across parent and controlled entities

University of Western Sydney	18,899	5,475
Cadre Design Pty Ltd	111	239
Sydney West International College Pty Ltd	1	855
Television Sydney (TVS) Limited	236	41
UWS College Pty Ltd	5,133	4,164
uwsconnect Limited	291	621
UWS Conference & Residential Colleges Ltd	7,285	6,335
Whitlam Institute Limited and Trust	306	220
	32,262	**17,950**

Cash at bank is interest bearing (refer Note 5).

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000

Note 15. Receivables

Receivable balances represent the full book value of amounts to be received. Prior to balance date a review was made of all debtors and write-off action was taken in respect of bad debts. A provision has been made for impaired receivables. Value shown includes GST on amounts owing or due to the University of Western Sydney as at the end of the reporting year.

Current				
Debtors	15,191	14,144	13,686	14,093
less: Provision for impaired receivables	(3,375)	(873)	(3,355)	(2,502)
Prepayments	8,758	6,695	8,556	6,651
Other	244	102	86	110
Total current receivables	**20,818**	**20,068**	**18,973**	**18,352**
Non-current				
Deferred government contribution for superannuation	163,868	40,294	163,868	40,294
Prepayments	-	332	-	532
Total non-current receivables	**163,868**	**40,626**	**163,868**	**40,826**
Total receivables	**184,686**	**60,694**	**182,841**	**59,178**

As at 31 December 2008 current receivables of the economic entity with a nominal value of $3.375M (2007: $0.873M) were impaired. The amount of the provision was $3.375M (2007: $0.873M), the individually impaired receivables mainly relate to individual customers with debtor balances aged greater than 180 days.

The ageing of these receivables is as follows:

	Consolidated 2008 $'000	Consolidated 2007 $'000
0 to 6 months	(20)	(2)
Over 6 months	(3,355)	(871)
	(3,375)	**(873)**

As of 31 December 2008, debtors of $3.989M (2007: $4.803M) were past due but not impaired. These relate to a number of individual customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	Consolidated 2008 $'000	Consolidated 2007 $'000
1 to 2 months	1,275	2,264
Over 2 months	2,714	2,539
	3,989	**4,803**

Note 15. Receivables (continued)

Movements in the provision for impaired receivables are as follows:

	Consolidated	
	2008	2007
	$'000	$'000
At 1 January 2008	873	3,720
Provision for impairment recognised during the year	2,961	(2,481)
Receivables written off during the year as uncollectible	(459)	(366)
	3,375	**873**

The release of the provision for impaired receivables has been included in 'impairment of assets' (Note 12) in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Note 16. Other financial assets					
Current					
Fair value through profit or loss: ING Investment Management		21,971	29,346	6,292	17,413
Available-for-sale: NSW Treasury Corporation		10,544	30,641	10,544	30,641
Total current other financial assets		32,515	59,987	16,836	48,054
Non-Current					
Available-for-sale: ING Investment Management		23,614	33,567	23,614	33,567
Unlisted securities		442	365	812	601
Total non-current other financial assets		24,056	33,932	24,426	34,168
Total other financial assets		**56,571**	**93,919**	**41,262**	**82,222**
(a) Allocation across parent and controlled entities					
Current					
University of Western Sydney		14,673	48,153		
UWS Property Development Fund		2,163	(99)		
UWS Foundation Limited and Trust		15,679	11,933		
Total current other financial assets		32,515	59,987		
Non-Current					
University of Western Sydney		24,056	33,932		
Total non-current other financial assets		24,056	33,932		
Total other financial assets		**56,571**	**93,919**		

Changes in the fair value of other financial assets at fair value through profit or loss are recorded in investment income in the income statement (Note 5).

Note 17. Property, plant and equipment

	Construction In progress	Freehold land	Crown land	Freehold Buildings	Buildings under finance lease	Plant and equipment	Leasehold improvements	Library	Artwork	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated										
At 1 January 2007										
-Cost	15,279	-	-	-	4,594	76,449	1,737	63,606	-	161,665
-Valuation	-	160,930	118,380	347,011	-	-	-	-	2,429	628,750
Accumulated depreciation	-	-	-	(19,976)	(4,020)	(43,682)	(1,082)	(49,634)	-	(118,394)
Net book amount	15,279	160,930	118,380	327,035	574	32,767	655	13,972	2,429	672,021
Year ended 31 December 2007										
Opening net book amount	15,279	160,930	118,380	327,035	574	32,767	655	13,972	2,429	672,021
Revaluation surplus	-	74,714	18,095	10,873	-	-	-	-	(91)	103,591
Additions	53,039	6,571	-	100	-	11,610	34	3,955	55	75,364
Disposals	-	(570)	-	-	-	(4,451)	(35)	(27)	-	(5,083)
Depreciation charge	-	-	-	(10,873)	(574)	(7,190)	(301)	(5,005)	-	(23,943)
Transfers to Freehold Buildings and Plant & Equipment	(11,902)	-	-	11,720	-	182	-	-	-	-
Assets classified as held for sale	-	(24,620)	-	-	-	-	-	-	-	(24,620)
Closing net book amount	56,416	217,025	136,475	338,855	-	32,918	353	12,895	2,393	797,330

Note 17. Property, plant and equipment (continued)

	Construction In progress	Freehold land	Crown land	Freehold Buildings	Buildings under finance lease	Plant and equipment	Leasehold improvements	Library	Artwork	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated										
At 31 December 2007										
-Cost	56,416	-	-	-	4,594	76,915	1,410	67,368	-	206,703
-Valuation	-	217,025	136,475	338,855	-	-	-	-	2,393	694,748
Accumulated depreciation	-	-	-	-	(4,594)	(43,997)	(1,057)	(54,472)	-	(104,120)
Net book amount	56,416	217,025	136,475	338,855	-	32,918	353	12,895	2,393	797,330
Year ended 31 December 2008										
Opening net book amount	56,416	217,025	136,475	338,855	-	32,918	353	12,895	2,393	797,330
Revaluation	-	4,412	-	214	-	-	-	7	41	4,674
Additions	58,191	352	-	69	-	11,820	76	4,257	31	74,796
Disposals	-	(323)	-	(528)	-	(3,348)	-	(16)	-	(4,215)
Depreciation charge	-	-	-	(13,614)	-	(7,606)	(244)	(4,447)	-	(25,911)
Transfers to Freehold Buildings and Plant & Equipment	(80,038)	-	-	-	-	-	-	-	-	(80,038)
Transfers from Construction in Progress				73,971	-	3,998	628	-	7	78,604
Transfers from Held For Sale Assets	-	3,888	-	9,060	-	-	-	-	-	12,948
Closing net book amount	34,569	225,354	136,475	408,027	-	37,782	813	12,696	2,472	858,188
At 31 December 2008										
-Cost	34,569	-	-	-	4,594	88,179	2,113	-	-	129,455
-Valuation	-	225,354	136,475	422,765	-	-	-	71,500	2,472	858,566
Accumulated depreciation	-	-	-	(14,738)	(4,594)	(50,397)	(1,300)	(58,804)	-	(129,833)
Net book amount	34,569	225,354	136,475	408,027	-	37,782	813	12,696	2,472	858,188

Note 17. Property, plant and equipment (continued)

	Construction In progress	Freehold land	Crown land	Freehold Buildings	Buildings under finance lease	Plant and equipment	Leasehold improvements	Library	Artwork	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Parent entity										
At 1 January 2007										
-Cost	15,279	-	-	-	4,594	73,440	940	63,534	-	157,787
-Valuation	-	160,930	118,380	347,011	-	-	-	-	2,429	628,750
Accumulated depreciation	-	-	-	(19,976)	(4,020)	(42,424)	(441)	(49,634)	-	(116,495)
Net book amount	15,279	160,930	118,380	327,035	574	31,016	499	13,900	2,429	670,042
Year ended 31 December 2007										
Opening net book amount	15,279	160,930	118,380	327,035	574	31,016	499	13,900	2,429	670,042
Revaluation surplus	-	74,714	18,095	10,873	-	-	-	-	(91)	103,591
Additions	53,039	6,571	-	100	-	10,287	-	3,832	43	73,872
Disposals	-	(570)	-	-	-	(3,762)	-	(27)	-	(4,359)
Depreciation charge	-	-	-	(10,873)	(574)	(6,838)	(182)	(5,005)	-	(23,472)
Transfers to Freehold Buildings and Plant & Equipment	(11,902)	-	-	11,720	-	182	-	-	-	-
Non-Cash adjustments	-	-	-	-	-	(3)				(3)
Assets classified as held for sale	-	(24,620)	-	-	-	-	-	-	-	(24,620)
Closing net book amount	56,416	217,025	136,475	338,855	-	30,882	317	12,700	2,381	795,051

Note 17. Property, plant and equipment (continued)

	Construction In progress	Freehold land	Crown land	Freehold Buildings	Buildings under finance lease	Plant and equipment	Leasehold improvements	Library	Artwork	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Parent entity										
At 31 December 2007										
-Cost	56,416	-	-	-	4,594	73,940	939	67,172	-	203,061
-Valuation	-	217,025	136,475	338,855	-	-	-	-	2,381	694,736
Accumulated depreciation	-	-	-	-	(4,594)	(43,058)	(622)	(54,472)	-	(102,746)
Net book amount	56,416	217,025	136,475	338,855	-	30,882	317	12,700	2,381	795,051
Year ended 31 December 2008										
Opening net book amount	56,416	217,025	136,475	338,855	-	30,882	317	12,700	2,381	795,051
Revaluation	-	4,412	-	214	-	-	-	7	41	4,674
Additions	58,191	352	-	69	-	11,379	-	4,207	31	74,229
Disposals	-	(323)	-	(528)	-	(3,176)	-	(16)	-	(4,043)
Depreciation charge	-	-	-	(13,614)	-	(7,144)	(186)	(4,447)	-	(25,391)
Transfers to Freehold Buildings and Plant & Equipment	(80,038)	-	-	-	-	-	-	-	-	(80,038)
Transfers from Construction in Progress	-	-	-	73,971	-	3,998	628	-	7	78,604
Transfers from Held For Sale Assets	-	3,888	-	9,060		-	-	-	-	12,948
Closing net book amount	34,569	225,354	136,475	408,027	-	35,939	759	12,451	2,460	856,034
At 31 December 2008										
-Cost	34,569	-	-	-	4,594	85,051	1,567	-	-	125,781
-Valuation	-	225,354	136,475	422,765	-	-	-	71,255	2,460	858,309
Accumulated depreciation	-	-	-	(14,738)	(4,594)	(49,112)	(808)	(58,805)	-	(128,057)
Net book amount	34,569	225,354	136,475	408,027	-	35,939	759	12,451	2,460	856,034

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Note 18. Investment properties					
Cost		-	-	-	-
Accumulated depreciation		-	-	-	-
Net book amount		-	-	-	-
(a) Movements in carrying amounts					
Balance at beginning of year		-	13,231	-	13,231
Depreciation expense		-	(283)	-	(283)
Property transferred to non-current assets classified as held for sale		-	(12,948)	-	(12,948)
Balance at end of year		-	-	-	-
Note 19. Non-current assets classified as held for sale					
Land		20,440	28,508	20,440	28,508
Buildings		-	9,060	-	9,060
		20,440	**37,568**	**20,440**	**37,568**

Note 20. Intangible assets

	Consolidated Licences $'000	Consolidated Total $'000	Parent Entity Licences $'000	Parent Entity Total $'000
At 1 January 2007				
Cost	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-
Net book amount	-	-	-	-
Year ended 31 December 2007				
Opening net book amount	-	-	-	-
Acquisition of subsidiary	-	-	-	-
Impairment charge	-	-	-	-
Additions	-	-	-	-
Amortisation charge	-	-	-	-
Closing net book amount	-	-	-	-
At 31 December 2007				
Cost	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-
Net book amount	-	-	-	-

Note 20. Intangible assets (continued)

	Notes	Consolidated Licences $'000	Consolidated Total $'000	Parent Entity Licences $'000	Parent Entity Total $'000
Year ended 31 December 2008					
Opening net book amount		-	-	-	-
Additions		296	296	275	275
Amortisation charge		(221)	(221)	(206)	(206)
Closing net book amount		**75**	**75**	**69**	**69**
At 31 December 2008					
Cost		296	296	275	275
Accumulated amortisation and impairment		(221)	(221)	(206)	(206)
Net book amount		**75**	**75**	**69**	**69**

Note 21. Other non-financial assets

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Current				
Trading stock	1,947	293	-	-
Total current other non-financial assets	**1,947**	**293**	**-**	**-**
Non current				
Livestock holdings	131	95	131	95
Other	170	89	-	-
Total non-current other non-financial assets	**301**	**184**	**131**	**95**
Total other non-financial assets	**2,248**	**477**	**131**	**95**

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000

Note 22. Trade and other payables

Current				
OS-HELP liability to Australian Government	20	-	20	-
Accrued expenses and creditors	28,556	30,517	25,300	28,849
Total current trade and other payables	**28,576**	**30,517**	**25,320**	**28,849**

The carrying amounts of the economic entitys trade and other payables are denominated in the following currencies:

Australian dollars	28,101	30,100	24,845	28,432
US dollars	463	400	463	400
GB pounds	12	17	12	17
	28,576	**30,517**	**25,320**	**28,849**

For an analysis of the sensitivity of trade and other payables to foreign currency risk see Note 32.

Note 23. Borrowings

Financing Arrangements
The economic entity has access to the following lines of credit:

Credit Standby Arrangements				
Total Facilities				
Bank guarantees	500	71	500	71
International facilities	1,900	500	1,900	500
Credit cards	4,080	4,080	4,000	4,000
Leasing facility	600	1,013	-	-
Commercial bill facility	-	2,000	-	-
	7,080	**7,664**	**6,400**	**4,571**
Used at Balance Date				
Bank guarantees	476	61	476	61
Credit cards	337	372	337	369
Leasing facility	334	251	-	-
Commercial bill facility	-	1,373	-	-
	1,147	**2,057**	**813**	**430**
Unused at Balance Date				
Bank guarantees	24	10	24	10
International facilities	1,900	500	1,900	500
Credit cards	3,743	3,708	3,663	3,631
Leasing facility	266	762	-	-
Commercial bill facility	-	627	-	-
	5,933	**5,607**	**5,587**	**4,141**

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Note 24. Provisions					
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave	24(a)	11,210	10,612	10,835	10,346
Long service leave	24(b)	4,271	4,190	4,203	4,150
Subtotal		15,481	14,802	15,038	14,496
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave	24(a)	6,341	5,360	5,663	4,966
Long service leave	24(b)	25,051	24,320	24,760	24,042
Subtotal		31,392	29,680	30,423	29,008
Total current provisions		46,873	44,482	45,461	43,504
Non-current					
Employee benefits					
Long service leave	24(b)	7,888	5,217	7,336	4,752
Deferred government benefits for superannuation	24(c)	163,868	42,855	163,868	42,855
Total non-current provisions		171,756	48,072	171,204	47,607
Total provisions		**218,629**	**92,554**	**216,665**	**91,111**

Note 24(a). Employee annual leave entitlements

A liability in relation to employee annual leave arises from leave entitlement not taken at year-end. The valuation of the liability is based on actual entitlement and expected future increases in salary levels. The liability includes a provision for future payroll tax, superannuation and workers' compensation as required by Australian Accounting Standard AASB119: Employee Benefits.

The transactions and balances for the reporting year were:

Carrying amount at start of year	15,972	15,130	15,312	14,278
Transfer from operating funds	12,946	12,815	12,098	12,596
Payments during year	(11,367)	(11,973)	(10,912)	(11,562)
Carrying amount at the end of year	**17,551**	**15,972**	**16,498**	**15,312**

Note 24(b). Employee long service leave entitlements

In accordance with AASB119: *Employee Benefits* short-term employee long service leave entitlements (i.e due within 12 months) are measured at their nominal value taking into account expected future increases in salary levels. Long-term employee long service leave entitlements (i.e. due after 12 months) are measured based on the present value of the estimated cash flows taking into account expected future increases in salary rates. In accordance with AASB 101: *Presentation of Financial Statements* unconditional long service leave whilst presented as a current liability in the Balance Sheet, has been recognised and measured as a long term entitlement (per AASB 119). The liability for employee long service leave entitlements includes a provision for future payroll tax, superannuation and workers compensation. It is the policy of the University to provide for the liability at the end of each reporting year.

		Consolidated		Parent Entity	
		2008	2007	2008	2007
	Notes	$'000	$'000	$'000	$'000

Note 24. Provisions (continued)

At the end of the reporting period the University engaged Mercer Human Resource Consulting Ltd. to undertake a valuation of the University's long service leave liability. Assumptions used in this measurement included:

	% p.a.
Estimate of LSL taken "in service"	37.0
Estimate rate of inflation/salary increase	4.0
Discount for future investment earnings	4.03

On costs used in this process were:

	% p.a.
Superannuation (for "in service leave")	17.0
Payroll tax	6.0
Workers compensation	1.0

The transactions and balances for the reporting year were:

Carrying amount at start of year	33,727	32,567	32,944	31,828
Transfer from operating funds	7,812	6,192	7,594	6,058
Payments during year	(4,329)	(5,032)	(4,239)	(4,942)
Carrying amount at the end of year	**37,210**	**33,727**	**36,299**	**32,944**

Note 24(c). Superannuation

The University of Western Sydney has a liability for deferred contributions in respect of benefits paid under the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS). The schemes are now closed to new entrants.

The deferred liability was determined by the actuarial assessment as at 31 December 2007 performed by Mercer Human Resource Consulting Ltd., the SAS Trustee Corporation's actuary. The amount of the liabilities is net of reserves held by Pillar Administration. Refer to Note 36 for details

The transactions and balances for the reporting year were:

Carrying amount at start of year	42,855	59,808	42,855	59,808
Transfer (to)/from operating funds	121,013	(16,953)	121,013	(16,953)
Carrying amount at the end of year	**163,868**	**42,855**	**163,868**	**42,855**

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Note 25. Other liabilities					
Current					
Deferred income		11,047	9,150	10,733	8,836
Fees received in advance		9,197	7,798	6,898	5,917
Australian Government unspent financial assistance		237	196	237	196
Other		1,444	980	578	566
Total current other liabilities		21,925	18,124	18,446	15,515
Non-current					
Finance leases		25	25	-	-
Other		746	2,436	-	-
Total non-current other liabilities		771	2,461	-	-
Total other liabilities		**22,696**	**20,585**	**18,446**	**15,515**

Note 26. Statutory funds

Statutory funds are funds granted under conditions restricted by an Act or subordinate legislation that mean that they may only be utilised for specified expenditure purposes and cannot be allocated to general-purpose expenditures

Unspent Australian Government financial assistance				
Accumulated funds at 1 January	19,015	16,086	19,015	16,086
Inflows	331,717	298,169	331,717	298,169
Outflows	(303,565)	(295,240)	(303,565)	(295,240)
Accumulated funds at 31 December	**47,167**	**19,015**	**47,167**	**19,015**

Note 27. Reserves and retained surplus

a. Reserves

The asset revaluation reserve for property, plant and equipment reflects revaluation of all University land and buildings at 31 December 2007. The reserve is the difference between the valuation and the book value at the valuation date.

The available-for-sale investments revaluation reserve is equal to unrealised gains/(losses) on investments with T-Corp and ING Investment Management for 2008 together with accumulated prior years unrealised gains and losses.

The reserve for livestock reflects the revaluation of University livestock at fair (market) value. The reserve is the difference between the revaluation and the book value at the valuation date. See Note 1(d).

The asset revaluation reserve for art collection reflects revaluation of all University artworks at 31 December 2007. The reserve is the difference between the valuation and the book value at the valuation date.

		Consolidated		Parent Entity	
		2008	2007	2008	2007
	Notes	$'000	$'000	$'000	$'000

Note 27. Reserves and retained surpluses (continued)

The property development reserve records funds set aside for University campus development.

Reserves				
Property, plant and equipment revaluation reserve	297,596	296,114	297,596	296,114
Investments revaluation reserve	4,648	28,889	4,648	28,889
Art collection revaluation reserve	1,396	1,355	1,396	1,355
Livestock revaluation reserve	121	89	121	89
Property development reserve	-	(1,766)	-	(1,766)
Total Reserves	**303,761**	**324,681**	**303,761**	**324,681**
Movements:				
Property, plant and equipment revaluation reserve				
Balance 1 January	296,114	192,433	296,114	192,433
Revaluation - gross	4,660	103,681	4,660	103,681
Transfer to retained surplus	(3,178)	-	(3,178)	-
Balance 31 December	**297,596**	**296,114**	**297,596**	**296,114**
Investments revaluation reserve				
Balance 1 January	28,889	24,207	28,889	24,207
Revaluation - gross	(14,980)	4,682	(14,980)	4,682
Transfer to net operating result	(9,261)	-	(9,261)	-
Balance 31 December	**4,648**	**28,889**	**4,648**	**28,889**
Art collection revaluation reserve				
Balance 1 January	1,355	1,446	1,355	1,446
Revaluation - gross	41	(91)	41	(91)
Balance 31 December	**1,396**	**1,355**	**1,396**	**1,355**
Livestock revaluation reserve				
Balance 1 January	89	95	89	95
Revaluation - gross	32	(6)	32	(6)
Balance 31 December	**121**	**89**	**121**	**89**
Property development reserve				
Balance 1 January	(1,766)	(864)	(1,766)	(864)
Transfer to/(from) retained surplus	1,766	(902)	1,766	(902)
Balance 31 December	-	**(1,766)**	-	**(1,766)**

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000

Note 27. Reserves and retained surpluses (continued)

(b) Retained surplus

Movements in retained surplus were as follows:

Retained surplus at 1 January	523,146	495,837	502,979	484,794
Prior year adjustment	-	356	-	113
Acquisition of controlled entity	-	(600)	-	-
Net operating result for the year	9,083	26,651	3,927	17,170
Transfer to/(from) property development reserve	(1,766)	902	(1,766)	902
Transfer from property, plant and equipment revaluation reserve	3,178	-	3,178	-
Retained surplus at 31 December	**533,641**	**523,146**	**508,318**	**502,979**

(c) Operating result attributable to members of the University of Western Sydney

Attributable to retained surplus	9,083	26,651	3,927	17,170
Attributable to statutory funds	28,152	2,929	28,152	2,929
Total operating result attributable to members of the University of Western Sydney	**37,235**	**29,580**	**32,079**	**20,099**

Note 28. Key management personnel disclosures

a) Names of responsible persons and executive officers

(a)(i) Responsible persons

Responsible person is defined to mean a member of the University's Board of Trustees and Executive and all Directors, General Managers/Chief Executives of the University's related entities in 2008 were:

University of Western Sydney

Saba Ambreen
Jan Brown – appointed 1/1/2008
Jennifer Brown
Hon Jan Burnswoods, MLC
Anne Cusick
Mary Foley
Vivienne James
Genevieve Kelly – resigned 31/5/2008
Gabrielle Kibble, AO – resigned 7/3/2008
Roy Medich, OAM
John Phillips, AO
Janice Reid, AM
Glen Sanford
Carolyn Sapideen – appointed 1/6/2008
Ian Stone
Hon Kim Yeadon, MP
Gang Zheng – resigned 8/9/2008
Rhonda Hawkins
Beryl Hesketh
John Ingleson
Robyn McGuiggan
Conal Wayne Francis McKenna
Julie Priest – appointed 1/9/2008
Greg Holland – resigned 31/7/2008

University of Western Sydney Foundation Ltd
John Banks – appointed 28/3/08
Vivienne James
Brian Lindsay
Roy Medich
Maria Pethard
John Phillips, AO
Janice Reid, AM
Mark Richardson
Ian Stone
Chung-Tong Wu
Alan Zammit – resigned 19/3/08

UWS College Pty Ltd

Anne Benjamin
Dorothy Davis
Rhonda Hawkins
John Ingleson
John Loxton
Yee King Wan
Ross Whelan
Kerry Hudson

Whitlam Institute (within the University of Western Sydney) Ltd

Gail Connolly
Wayne McKenna
Janice Reid, AM
Geoffrey Roberson
Alex Sanchez – resigned 21/11/2008
John Wells
Nicholas Whitlam
Talal Yassine – appointed 8/10/08
Eric Sidoti

Sydney West International College P/L

Rhonda Hawkins
John Ingleson
Greg Holland – appointed 15/1/2008 resigned 31/7/2008
John Loxton – appointed 15/1/2008
Yee King Wan

uwsconnect Ltd

Vicki Buchanan
Melissa Collins

Tim Ferrano
Slade Howell
Tom Georgilas – resigned 30/6/2008
Mark Kotorac
Geoffrey Roberson
David Stephens
Tony Geange

Cadre Design Pty Ltd

Neil Adams
Rhonda Hawkins
David Hegarty

UWS Conference and Residential Colleges Ltd
Ellen Brackenreg
Diane Dwyer
Robyn McGuiggan
Janet Sayer
Ashwin Bhutani

Note 28. Key management personnel disclosures (continued)

Sydney Graduate School of Management Limited and SGSM Limited
John Phillips, AO
Janice Reid, AM
Geoffrey Roberson
Chung-Tong Wu

Education Training Community (ETC TV) Limited
Conal Wayne Francis McKenna
Kaye Francis Shumack
Christina Louise Alvarez

Television Sydney (TVS) Ltd

Juli Brown
Delia Browne
Rhonda Hawkins
Harold Mitchell
Geoffrey Roberson
Laurie Patton

Television Sydney Ltd
Delia Browne
Rhonda Hawkins
Geoffrey Roberson

(a)(ii) Executive officers

'Executive' is defined to mean the Chief Executive Officer plus the members of the Executive committee of the University. In 2008 these were:

Vice Chancellor
Deputy Vice-Chancellors (2)
Chief Operating Officer
Executive Deans (3)

(b) Remuneration of Board Members and Executives

Remuneration includes salary, all allowances and benefits (including housing, motor vehicles and employer superannuation), and where appropriate, fringe benefits tax on benefits provided.

(b)(i) Board members

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Income paid or payable, or otherwise made available, to Board Members by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities:	**53,517**	**44,074**	**37,017**	**38,574**

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	Number	**Number**	**Number**	**Number**
Nil to $9,999	-	1	-	-
$10,000 to $19,999	1	-	-	-
$30,000 to $39,999	1	1	1	1
	2	**2**	**1**	**1**

Note 28. Key management personnel disclosures (continued)

(b)(ii) Executive officers

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Income paid or payable, or otherwise made available, to executive officers by entities in the consolidated entity and related parties:	**3,657,000**	**3,527,000**	**2,631,960**	**2,702,926**

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	Number	**Number**	**Number**	**Number**
$140,000 to $149,999	1	2	-	-
$150,000 to $159,999	1	1	-	-
$160,000 to $169,999	1	1	-	-
$170,000 to $179,999	1	2	-	-
$180,000 to $189,999	1	-	-	-
$200,000 to $209,999	1	-	-	-
$240,000 to $249,999	1	1	1	1
$270,000 to $279,999	-	3	-	3
$290,000 to $299,999	1	-	1	-
$320,000 to $329,999	2	3	2	3
$350,000 to $359,999	1	-	1	-
$410,000 to $419,999	1	-	1	-
$620,000 to $629,999	-	1	-	1
$660,000 to $669,999 *	1	-	1	-
	13	**14**	**7**	**8**

* The Vice-Chancellor's total remuneration included paid salary, PAYG withholding tax, expense-of office allowance, employee and employer superannuation contributions, a salary-sacrificed motor vehicle, Fringe Benefits Tax and housing allowance. No additional performance bonus is payable.

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000

Note 29. Remuneration of auditors

During the year the following fees were paid for services provided by the auditor of the parent entity.

Fees paid to the Audit Office of New South Wales	337	319	241	234
Total remuneration for audit services	**337**	**319**	**241**	**234**

Note 30. Contingencies

The parent entity and consolidated entity had contingent liabilities at 31 December 2008 in respect of:

Claims

A student has commenced unlawful discrimination proceedings against the University in the Federal Magistrate's Court. The matter has been listed for hearing in May 2009. The quantum of the claim for damages has not been particularised.

A former employee of the University is disputing the non-renewal of his fixed-term contract of employment. Proceedings have commenced against the University in the Australian Industrial Relations Commission, however at this stage the matter has not progressed beyond argument regarding the Commission's jurisdiction to hear the matter. Accordingly, the quantum of the claim for damages has not yet been particularised.

A University employee is disputing the manner in which a formal investigation into allegations of misconduct against him was conducted. The matter has been heard and determined by the Australian Industrial Relations Commission and the University is currently considering whether to appeal the determination. The quantum of the claim has not been particularised.

There is currently a dispute between the University and a Contractor in relation to a Landscaping project where approx $ 45,000 in contract claims and $45,000 in variations are in dispute. This matter has not become litigious but if it cannot be settled a claim for the outstanding amounts may occur.

No material losses are anticipated in respect of any of the above contingent liabilities.

Contingent Liabilities

It is the University of Western Sydney's current policy to provide Cadre Design Pty Ltd, Education Training Community Television (ETC TV Ltd) and Television Sydney (TVS) Ltd with such support and assistance as may be required to allow them to meet their financial obligations in conformity with generally accepted standards of commercial and financial prudence for the 2009 financial calendar year.

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000

Note 31. Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Property, plant and equipment				
Payable:				
Within one year	19,190	15,812	19,190	15,812
	19,190	**15,812**	**19,190**	**15,812**

(b) Lease commitments

The University leases computing and printing equipment under operating leases.

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities is as follows:

Payable:				
Within one year	6,001	4,470	5,889	4,449
Later than one year but not later than five years	3,803	2,770	3,652	2,757
	9,804	**7,240**	**9,541**	**7,206**
Representing:				
Cancellable operating leases	9,804	7,240	9,541	7,206
	9,804	**7,240**	**9,541**	**7,206**

(c) Other expenditure commitments

Commitments for maintenance and consumables in existence at the reporting date but not recognised as liabilities is as follows:

Payable:				
Within one year	20,118	10,408	13,476	10,170
Later than one year but not later than five years	10,542	6,477	7,132	6,387
	30,660	**16,885**	**20,608**	**16,557**

The figures include Goods and Services Tax of 10% ($2.658M) which is expected to be recovered from the Australian Taxation Office.

Note 32. Financial risk management

The economic entity's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. Its overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the economic entity. The economic entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

The economic entity's principal financial instruments are investments in units in pooled managed funds. These funds are managed on a fees-for-service basis by NSW Treasury Corporation and ING Investment Management Limited.

The main purposes of the pooled managed funds are to;

i) earn revenue to assist the economic entity in meeting operating expenses in a climate of diminishing government financial assistance, and

ii) provide long term capital growth so that the economic entity can provide sufficient funds to meet longer term liabilities including deferred employee benefits

The economic entity also has various other financial instruments such as cash, receivables, payables and finance leases.

i) Treasury Risk Management

The University of Western Sydney Act provides that the University can only invest funds via 'funds managers' approved by NSW Treasury. Both funds managers use a wide range of underlying managers and diversified tactical asset allocations. The performance of the funds managers are closely monitored by the University of Western Sydney Investment Committee with a view to moving available funds to the stronger performing funds manager as appropriate. The Committee has a number of external members with a high level of experience and expertise in funds management. The Committee provides written principles for overall risk management, as well as policies covering specific areas, such as investment of excess liquidity. The Committee also evaluates treasury management strategies in the context of the most recent economic conditions and forecasts and the economic entity's activities. The Investment Committee reports regularly to the Board of Trustees.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the economic entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

(i) Cash flow and fair value Interest rate risk
Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in interest rates. The economic entity's exposure to interest rates risk is minimal as it has no borrowings and the amounts held as cash at bank are strictly monitored.

(ii) Foreign exchange risk
Foreign exchange rate risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The economic entity is exposed to foreign exchange risk on sales and purchases that are denominated in a currency other than the Australian dollar (AUD). No form of hedging is undertaken. The economic entity ensures that its exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. The entity has no significant overseas investment operations likely to affect its balance sheet by movement in exchange rates.

Note 32. Financial risk management (continued)

iii) Price risk

Price risk is risk that the value of a financial instrument will fluctuate as a result of changes in market prices. This arises from investments held by the University and classified on the Balance Sheets as available-for-sale and at fair value through profit and loss. To manage price risk from investments in equity securities the University has contracted out the management of the portfolio to external fund managers. These fund managers are mandated to diversify investments of the portfolio under their management. The quantum of funds under management per external fund manager and the investment objectives of each external fund manager are in accordance with limits/policies set by the Investment Committee.

(iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the economic entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2008	Carrying Amount	Interest Rate Risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets													
Cash & cash equivalents	32,262	(317)	(317)	317	317	-	-	-	-	-	-	-	-
Receivables	184,686	-	-	-	-	285	285	(233)	(233)	-	-	-	-
Other financial assets at fair value through profit or loss (ING)	21,971	(77)	(77)	77	77	969	969	(788)	(788)	(2,197)	(2,197)	2,197	2,197
Available-for-sale-assets (Tcorp)	10,544	-	(59)	-	59	-	541	-	(441)	-	(1,054)	-	1,054
Available-for-sale-assets (ING)	23,614	-	(60)	-	60	-	1,034	-	(841)	-	(2,361)	-	2,361
Financial liabilities													
Payables	(28,576)	-	-	-	-	55	55	(44)	(44)	-	-	-	-
Finance leases	(25)	-	-	-	-	-	-	-	-	-	-	-	-
Other	(237)	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)		(394)	(513)	394	513	1,309	2,884	(1,065)	(2,347)	(2,197)	(5,612)	2,197	5,612

31 December 2007	Carrying Amount	Interest Rate Risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets													
Cash & cash equivalents	17,950	(180)	(180)	180	180	-	-	-	-	-	-	-	-
Receivables	60,694	-	-	-	-	144	144	(134)	(134)	-	-	-	-
Other financial assets at fair value through profit or loss (ING)	29,346	(86)	(86)	86	86	1,046	1,046	(852)	(852)	(2,935)	(2,935)	2,935	2,935
Available-for-sale-assets (Tcorp)	30,641	-	(99)	-	99	-	1,641	-	(1,336)	-	(3,064)	-	3,064
Available-for-sale-assets (ING)	33,567	-	(68)	-	68	-	1,220	-	(994)	-	(3,357)	-	3,357
Financial liabilities													
Payables	(30,517)	-	-	-	-	(42)	(42)	39	39	-	-	-	-
Finance leases	(25)	-	-	-	-	-	-	-	-	-	-	-	-
Other	(196)	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)		(266)	(433)	266	433	1,148	4,009	(947)	(3,277)	(2,935)	(9,356)	2,935	9,356

Note 32. Financial risk management (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the economic entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from receivables from customers and investment securities.

Receivables
The economic entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivables are mainly attributable to sales transactions with a single customer. Apart from the Government deferred debtor, the economic entity does not have any material risk exposure to any other single debtor or group of debtors.

Investments
The economic entity limits its exposure to credit risk through its Credit Risk Policy which establishes eligible counterparties with credit limits based upon counterparty credit ratings and accessible shareholder funds. Counterparties must have a credit rating of at least A from Standard and Poors and from Moodys and accessible shareholder funds of at least $100m. Given these high credit ratings, management does not expect any counterparty to fail to meet it obligations. Funds managers are closely monitored to ensure adherence to the Credit Risk policy.

(c) Liquidity risk

Liquidity risk is the risk that the economic entity will not be able to meets its financial obligations as they fall due. The economic entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or reputational risk.

The economic entity reviews its immediate cash requirements on a daily basis with a forward six year cash flow forecast regularly provided to management.

The following tables summarise the maturity of the economic entity's financial assets and financial liabilities:

31 December 2008	Average Interest Rate %	Variable Interest Rate $'000	Less than 1 Year $'000	1 to 5 Years $'000	5+ Years $'000	Non Interest $'000	Total $'000
Financial assets							
Cash & cash equivalents	6.50	32,262	-	-	-	-	32,262
Receivables	n/a	-	-	-	-	184,686	184,686
Other financial assets at fair value through profit or loss (ING)	(25.12)	21,971	-	-	-	-	21,971
Available-for-sale-assets (Tcorp)	(20.16)	10,544	-	-	-	-	10,544
Available-for-sale-assets (ING)	(29.64)	23,614	-	-	-	-	23,614
Total financial assets		**88,391**	-	-	-	**184,686**	**273,077**
Financial liabilities							
Payables	n/a	-	-	-	-	(28,576)	(28,576)
Finance leases	n/a	-	-	(25)	-		(25)
Other	n/a	-	-	-	-	(22,671)	(22,671)
Total financial liabilities		-	-	**(25)**	-	**(51,247)**	**(51,272)**

Note 32. Financial risk management (continued)

31 December 2007	Average Interest Rate %	Variable Interest Rate $'000	Less than 1 Year $'000	1 to 5 Years $'000	5+ Years $'000	Non Interest $'000	Total $'000
Financial assets							
Cash & cash equivalents	6.40	17,950	-	-	-	-	17,950
Receivables	n/a	-	-	-	-	60,694	60,694
Other financial assets at fair value through profit or loss (ING)	9.11	29,346	-	-	-	-	29,346
Available-for-sale-assets (Tcorp)	5.14	30,641	-	-	-	-	30,641
Available-for-sale-assets (ING)	10.15	33,567	-	-	-	-	33,567
Total financial assets		**111,504**	-	-	-	**60,694**	**172,198**
Financial liabilities							
Payables	n/a	-	-	-	-	(30,517)	(30,517)
Finance leases	n/a	-	-	(25)	-	-	(25)
Other	n/a	-	-	-	-	(20,560)	(20,560)
Total financial liabilities		-	-	**(25)**	-	**(51,077)**	**(51,102)**

(d) Fair valuation estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the economic entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The economic entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the economic entity for similar financial instruments.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

Note 32. Financial risk management (continued)

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

	Carrying Amount		Fair Value	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Financial assets				
Cash and cash equivalents	32,262	17,950	32,262	17,950
Receivables	184,686	60,694	184,686	60,694
Other financial assets at fair value through profit or loss (ING)	21,971	29,346	21,971	29,346
Available-for-sale-assets (Tcorp)	10,544	30,641	10,544	30,641
Available-for-sale-assets (ING)	23,614	33,567	23,614	33,567
Total financial assets	273,077	172,198	273,077	172,198
Financial liabilities				
Payables	28,576	30,517	28,576	30,517
Finance leases	25	25	25	25
Other	22,671	20,560	22,671	20,560
Total financial liabilities	51,272	51,102	51,272	51,102

Note 33. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(c).

Name of entity	Principal activities	Country of incorporation	Ownership interest	
			2008 %	2007 %
Cadre Design Unit Trust	Computer design services	Australia	85	85
Education Training Community Television (ETC TV) Limited	Member (100%) of Television Sydney (TVS) Limited	Australia	75	75
SGSM Ltd	Provide support to postgraduate award	Australia	100	100
Sydney West International College Ltd	Provision of academic & English language preparation courses	Australia	100	100
Television Sydney Limited	Establish, operate and program a community television station.	Australia	100	100
UWS Foundation Limited & Trust	Fundraising to support UWS	Australia	100	100
UWS College Pty Ltd	Operator of English Learning Centre	Australia	100	100
uwsconnect Ltd	Provision of sports & leisure, retail, food & beverage services	Australia	100	100
UWS Conferences & Residential Colleges Ltd	Provide & manage student residential accomodation	Australia	100	100
Whitlam Institute (within the University of Western Sydney) Limited & Trust	Community engagement	Australia	100	100

		Consolidated		Parent Entity	
		2008	2007	2008	2007
	Notes	$'000	$'000	$'000	$'000

Note 34. Reconciliation of operating result attributable to the members of the University of Western Sydney to net cash flows from operating activities

Operating result for the year		**37,235**	**29,580**	**32,079**	**20,099**
Net (gain)/loss on disposal of property, plant & equipment	8(b)	469	(307)	445	(325)
Superannuation adjustments	9	(123,574)	17,967	(123,574)	17,967
Depreciation and amortisation	10	26,117	24,226	25,597	23,755
Impaired receivables	15(a)	2,502	(2,847)	853	(1,182)
Movement in inventories/trading stock	21	(1,654)	(31)	-	-
Movement in payables		(1,941)	7,964	(3,529)	19,706
Movement in provisions	24	126,074	(16,030)	125,554	(15,882)
Cost of goods sold - livestock		(5)	(6)	(5)	(6)
HECS up-front excess and trust fund advances		1,853	(2,207)	1,853	(2,207)
Movement in other current liabilities	25	3801	3,279	2,930	2,831
Movement in other non-current liabilities	25	(1,689)	1,188	-	(21)
Movement in receivables		(4,851)	2,815	(3,006)	1,179
Movement in overfunded superannuation		2,561	(1,127)	2,561	(1,127)
Movement in other non-current assets	21	(81)	(89)	-	-
Unrealised profit/(loss) on investments		(1,816)	(4,445)	1,930	(4,445)
Other adjustments		-	(285)	-	114
Net cash provided by/(used in) operating activities		**65,001**	**59,645**	**63,688**	**60,456**

Note 35. Acquittal of Australian Government financial assistance

35.1. DEEWR - CGS and Other DEEWR Grants

			Parent Entity only							
			Commonwealth Grant Scheme #		Indigenous Support Program		Equity Support Program		Disability Support Program	
		Notes	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		150,231	143,292	1,064	1,018	264	264	503	591
B	Net accrual adjustments		-	-	-	-	-	-	-	-
C=A+B	Revenue for the period	2(a)	**150,231**	**143,292**	**1,064**	**1,018**	**264**	**264**	**503**	**591**
D	Surplus / (deficit) from the previous year		-	-	-	-	489	388	314	153
E=C+D	Total revenue including accrued revenue		150,231	143,292	1,064	1,018	753	652	817	744
F	Less expenses including accrued expenses		(150,231)	(143,292)	(1,064)	(1,018)	(206)	(163)	(507)	(430)
G=E-F	Surplus / (deficit) for reporting period		-	-	-	-	547	489	310	314

 # Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading and HEFA Transition Fund.

Note 35. Acquittal of Australian Government financial assistance (continued)

35.1. DEEWR - CGS and Other DEEWR Grants (continued)

			Parent Entity only							
			Workplace Reform Program		Workplace Productivity Program		Capital Development Pool		Collaboration & Structural Reform Program	
			2008	2007	2008	2007	2008	2007	2008	2007
		Notes	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		2,206	2,149	877	301	11,300	16,363	4,021	-
B	Net accrual adjustments		-	-	-	-	-	-	-	-
C=A+B	Revenue for the period	2(a)	**2,206**	**2,149**	**877**	**301**	**11,300**	**16,363**	**4,021**	-
D	Surplus / (deficit) from the previous year		-	-	96	262	3,669	2,487	7	14
E=C+D	Total revenue including accrued revenue		2,206	2,149	973	563	14,969	18,850	4,028	14
F	Less expenses including accrued expenses		(2,206)	(2,149)	(638)	(467)	(8,565)	(15,181)	(3)	(7)
G=E-F	Surplus / (deficit) for reporting period		-	-	335	96	6,404	3,669	4,025	7

Note 35. Acquittal of Australian Government financial assistance (continued)

35.1. DEEWR - CGS and Other DEEWR Grants (continued)

			Parent Entity only							
			Improving Practical Teacher Education Initiative		Transitional Cost Program		Other		Total	
			2008	2007	2008	2007	2008	2007	2008	2007
		Notes	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		247	-	3,264	-	54	-	174,031	163,978
B	Net accrual adjustments		-	-	-	-	-	-	-	-
C=A+B	Revenue for the period	2(a)	**247**	-	**3,264**	-	**54**	-	**174,031**	**163,978**
									-	-
D	Surplus / (deficit) from the previous year		-	-	-		-		4,575	3,304
E=C+D	Total revenue including accrued revenue		247	-	3,264	-	54	-	178,606	167,282
F	Less expenses including accrued expenses		(247)	-	(3,264)	-	(20)		(166,951)	(162,707)
G=E-F	Surplus / (deficit) for reporting period		-	-	-	-	34	-	11,655	4,575

Note 35. Acquittal of Australian Government financial assistance (continued)

35.2. Higher Education Loan Programmes

			Parent Entity only							
			HECS-HELP (Australian Government payments only)		FEE-HELP		Total		OS-HELP	
		Notes	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		108,577	95,290	11,533	8,744	120,110	104,034	175	99
B	Net accrual adjustments		(1,853)	2,207	(2,010)	1,620	(3,863)	3,827	-	-
C=A+B	Revenue for the period	2(b)	**106,724**	**97,497**	**9,523**	**10,364**	**116,247**	**107,861**	**175**	**99**
D	Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	1
E=C+D	Total revenue including accrued revenue		106,724	97,497	9,523	10,364	116,247	107,861	175	100
F	Less expenses including accrued expenses		(106,724)	(97,497)	(10,013)	(10,364)	(116,737)	(107,861)	(155)	(100)
G=E-F	Surplus / (deficit) for reporting period		-	-	(490)	-	(490)	-	20	-

Note 35. Acquittal of Australian Government financial assistance (continued)

35.3. Scholarships

			Parent Entity only					
			Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships	
		Notes	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		1,323	1,319	280	276	2,008	1,465
B	Net accrual adjustments		-	-	-	-	-	-
C=A+B	Revenue for the period	2(c)	**1,323**	**1,319**	**280**	**276**	**2,008**	**1,465**
D	Surplus / (deficit) from the previous year		442	311	119	-	1,227	506
E=C+D	Total revenue including accrued revenue		1,765	1,630	399	276	3,235	1,971
F	Less expenses including accrued expenses		(1,141)	(1,188)	(399)	(157)	(879)	(744)
G=E-F	Surplus / (deficit) for reporting period		624	442	-	119	2,356	1,227

Note 35. Acquittal of Australian Government financial assistance (continued)

35.3. Scholarships
(continued)

			Commonwealth Accommodation Scholarships		Indigenous Access Scholarships		Total	
		Notes	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		1,453	1,772	98	-	5,162	4,832
B	Net accrual adjustments		-	-	-	-	-	-
C=A+B	Revenue for the period	2(c)	**1,453**	**1,772**	**98**	**-**	**5,162**	**4,832**
							-	-
D	Surplus / (deficit) from the previous year		3,162	1,803	-	-	4,950	2,620
E=C+D	Total revenue including accrued revenue		4,615	3,575	98	-	10,112	7,452
F	Less expenses including accrued expenses		(161)	(413)	(20)	-	(2,600)	(2,502)
G=E-F	Surplus / (deficit) for reporting period		4,454	3,162	78	-	7,512	4,950

Note 35. Acquittal of Australian Government financial assistance (continued)

35.4. DIISR Research

			Parent Entity only					
			Institutional Grants Scheme		Research Training Scheme		Research Infrastructure Block Grants	
		Notes	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		3,125	3,225	7,643	7,847	1,294	1,257
B	Net accrual adjustments		-	-	-	-	-	-
C=A+B	Revenue for the period	2(d)	**3,125**	**3,225**	**7,643**	**7,847**	**1,294**	**1,257**
D	Surplus / (deficit) from the previous year		697	1,008	526	4,895	241	578
E=C+D	Total revenue including accrued revenue		3,822	4,233	8,169	12,742	1,535	1,835
F	Less expenses including accrued expenses		(3,298)	(3,536)	(7,281)	(12,216)	(1,251)	(1,594)
G=E-F	Surplus / (deficit) for reporting period		524	697	888	526	284	241

Note 35. Acquittal of Australian Government financial assistance (continued)

35.4. DIISR Research (continued)

			Parent Entity only							
			Implementation Assistance Program		Australian Scheme for Higher Education Repositories		Commercialistaion Training Scheme		Total	
		Notes	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		123	60	303	159	72	70	12,560	12,618
B	Net accrual adjustments		-	-	-	-	-	-	-	-
C=A+B	Revenue for the period	2(d)	**123**	**60**	**303**	**159**	**72**	**70**	**12,560**	**12,618**
D	Surplus / (deficit) from the previous year		34	-	120	-	40	-	1,658	6,481
E=C+D	Total revenue including accrued revenue		157	60	423	159	112	70	14,218	19,099
F	Less expenses including accrued expenses		(80)	(26)	(119)	(39)	(73)	(30)	(12,102)	(17,441)
G=E-F	Surplus / (deficit) for reporting period		77	34	304	120	39	40	2,116	1,658

Note 35. Acquittal of Australian Government financial assistance (continued)

35.5. Voluntary Student Unionism and Better Universities Renewal Funding

			Parent Entity only					
			VSU Transition Fund		Total		Better Universities Renewal Fund	
		Notes	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		1,800	3,200	1,800	3,200	15,854	-
B	Net accrual adjustments		-	-	-	-	-	-
C=A+B	**Revenue for the period**	2(e) & 2(f)	**1,800**	**3,200**	**1,800**	**3,200**	**15,854**	**-**
D	Surplus / (deficit) from the previous year		3,191	-	3,191	-	-	
E=C+D	Total revenue including accrued revenue		4,991	3,200	4,991	3,200	15,854	-
F	Less expenses including accrued expenses		(1,058)	(9)	(1,058)	(9)	(30)	-
G=E-F	Surplus / (deficit) for reporting period		3,933	3,191	3,933	3,191	15,824	-

Note 35. Acquittal of Australian Government financial assistance (continued)

35.6. Australian Research Council Grants

(a) Discovery

			Parent Entity only					
			Projects		Indigenous Research Development		Total	
		Notes	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		3,214	2,385	188	17	3,402	2,402
B	Net accrual adjustments		(14)	73	-	-	(14)	73
C=A+B	Revenue for the period	2(g)(i)	**3,200**	**2,458**	**188**	**17**	**3,388**	**2,475**
D	Surplus / (deficit) from the previous year		2,167	1,675	13	28	2,180	1,703
E=C+D	Total revenue including accrued revenue		5,367	4,133	201	45	5,568	4,178
F	Less expenses including accrued expenses		(2,716)	(1,966)	(54)	(32)	(2,770)	(1,998)
G=E-F	Surplus / (deficit) for reporting period		2,651	2,167	147	13	2,798	2,180

Note 35. Acquittal of Australian Government financial assistance (continued)

35.6. Australian Research Council Grants
(b) Linkages

			Parent Entity only									
			Special Research Initiatives		Infrastructure		International		Projects		Total	
			2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
		Notes	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		745	654	-	-	21	39	1,710	1,715	2,476	2,408
B	Net accrual adjustments		(384)	-	-	15	-	-	89	249	(295)	264
C=A+B	Revenue for the period	2(g)(ii)	**361**	**654**	**-**	**15**	**21**	**39**	**1,799**	**1,964**	**2,181**	**2,672**
D	Surplus / (deficit) from the previous year		531	307	23	25	23	22	1,570	1,507	2,147	1,861
E=C+D	Total revenue including accrued revenue		892	961	23	40	44	61	3,369	3,471	4,328	4,533
F	Less expenses including accrued expenses		(234)	(430)	(19)	(17)	(19)	(38)	(2,069)	(1,901)	(2,341)	(2,386)
G=E-F	Surplus / (deficit) for reporting period		658	531	4	23	25	23	1,300	1,570	1,987	2,147

Note 35. Acquittal of Australian Government financial assistance (continued)

35.6. Australian Research Council Grants

(c) Networks and Centres

			Parent Entity only					
			Research Networks		Centres		Total	
		Notes	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		433	424	88	67	521	491
B	Net accrual adjustments		15	42	-	-	15	42
C=A+B	Revenue for the period	2(g)(iii)	**448**	**466**	**88**	**67**	**536**	**533**
D	Surplus / (deficit) from the previous year		305	107	9	10	314	117
E=C+D	Total revenue including accrued revenue		753	573	97	77	850	650
F	Less expenses including accrued expenses		(596)	(268)	(95)	(68)	(691)	(336)
G=E-F	Surplus / (deficit) for reporting period		157	305	2	9	159	314

Note 36. Defined Benefit Plans

State Authorities Superannuation Scheme (SASS)
State Superannuation Scheme (SSS)
State Authorities Non-contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members.

Reconciliation of the assets and liabilities recognised in the balance sheet

	SASS		SANCS		SSS	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Present value of defined benefit obligations	42,022	46,032	9,669	10,034	278,041	208,903
Fair value of plan assets	(34,157)	(48,594)	(6,550)	(9,756)	(125,157)	(166,325)
Net (asset)/liability to be recognised in balance sheet	**7,865**	**(2,562)**	**3,119**	**278**	**152,884**	**42,578**

All Fund assets are invested by the SAS Trustee Corporation (STC) at arm's length through independent fund managers.

Movement in net liability/asset recognised in balance sheet

	SASS		SANCS		SSS	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Net (asset)/liability at start of year	(2,562)	(1,322)	278	(112)	42,578	59,808
Net expense recognised in the income statement	12,096	629	3,409	929	111,271	(15,707)
Contributions	(1,669)	(1,869)	(568)	(539)	(965)	(1,523)
Net (asset)/liability at end of year	**7,865**	**(2,562)**	**3,119**	**278**	**152,884**	**42,578**

Note 36. Defined Benefit Plans (continued)

Total expense recognised in income statement

	SASS		SANCS		SSS	
	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000
Current service cost	1,635	1,715	514	451	860	990
Interest cost	2,800	2,533	596	549	13,001	12,530
Expected return on fund assets	(3,560)	(3,307)	(873)	(851)	(12,596)	(11,322)
Net actuarial losses/(gains) recognised in year	11,221	(312)	3,172	780	110,006	(17,905)
Total included in "employee benefits expense"	**12,096**	**629**	**3,409**	**929**	**111,271**	**(15,707)**

	SASS		SANCS		SSS	
	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000
Actual return on fund assets	**(7,818)**	**3,556**	**(1,580)**	**815**	**(28,042)**	**12,045**

Actual return on fund assets

Principal actuarial assumptions at the reporting date

	31-Dec-08	31-Dec-07
Discount rate at 31 December	4.09%	6.40%
Expected rate of return on assets at 31 December	8.30%	7.60%
Expected salary increase rate	3.50%	4.00%
Expected rate of CPI increase	2.50%	2.50%

The following is a summary of the 31 December 2008 financial position of the Fund calculated in accordance with AAS 25 – *Financial Reporting by Superannuation Plans.*

	SASS		SANCS		SSS	
	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000
Accrued benefits	38,163	45,718	8,480	9,958	189,070	188,138
Net market value of Fund assets	(34,157)	(48,594)	(6,550)	(9,756)	(125,157)	(166,325)
Net (surplus)/deficit	**4,006**	**(2,876)**	**1,930**	**202**	**63,913**	**21,813**

Note 36. Defined Benefit Plans (continued)

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
multiple of member contributions	% member salary	Multiple of member contributions
0.00	17.00	0.00

The method used to determine the employer contribution recommendations at the last actuarial review was the *Aggregate Funding* method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

The economic assumptions adopted for the last actuarial review of the Fund were:

Weighted-Average Assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.7%
Expected rate of return on Fund assets backing other liabilities	7.0%
Expected salary increase rate	4.0%
Expected rate of CPI increase	2.5%

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation.

Note 37. Events after Balance Sheet Date

As at 28 February 2009 the unit value of the University's investments have declined significantly. The total decline in value is estimated to be $3.67m based on the balance of unit holdings at 31 December 2008.

There are no other events identified after Balance Sheet date that would have a material impact on the financial report.

Note 38. Adjustment to Prior Period

a) Parent Entity

A correction of error in recording of employee related expenses

Due to an error in the calculation of contributions to superannuation and pension schemes: Provisions for future emerging costs was understated in the parent entity by $113k for the period ended 31 December 2006. Therefore the opening balance of retained earnings for the 2007 financial year has been restated (please refer to Statement of Changes in Equity).

Note 38. Adjustment to Prior Period (continued)

b) Consolidated Entity

A correction of error in recording of employee related expenses and an adjustment due to gaining control of Television Sydney (TVS) Limited.

The adjustment of $513k in the consolidated entity refers to the error described in (a) in addition to an adjustment due to gaining control of Television Sydney (TVS) Limited.

END OF AUDITED FINANCIAL STATEMENTS

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

CADRE Design Pty Limited

To Members of the New South Wales Parliament and Members of CADRE Design Pty Limited

I have audited the accompanying financial report of CADRE Design Pty Limited (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Company as at 31 December 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

The Directors' Responsibility for the Financial Report

The 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 the PF&A Act. 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 controls 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

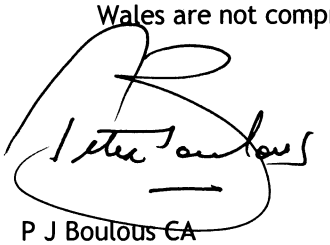
My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



P J Boulous CA
Director, Financial Audit Services

30 March 2009
SYDNEY

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

STATEMENT BY DIRECTORS IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT, 1983

In the opinion of the Directors of CADRE design Pty. Limited:

1. The accompanying financial report and notes thereto present a true and fair view of the financial position of the Company as at 31 December 2008 and its financial performance for the year ended 31 December 2008.

2. At the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due given the underlying guarantee received by the Directors from the University of Western Sydney regarding payment of debts of the Company.

3. The financial report of the Company to which this statement relates has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005.

4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would impact upon the position shown in the financial report.

5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

Signed at Sydney this 3RD day of MARCH 2009.

on behalf of the Board and in accordance with its resolution

DIRECTOR

DIRECTOR

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
Revenue			
Multimedia Sales	2	1,780,459	1,919,723
Miscellaneous Income	2	12,364	801
Interest Income		1,638	22,633
Total Revenue		**1,794,461**	**1,943,157**
Expenses			
Employee Benefits	3	1,314,776	1,485,789
Fees for Services Rendered		455,716	396,365
Printing		-	7,528
Depreciation and amortisation		49,618	47,950
Travel Expenses		17,818	14,930
Consumables and Minor Equipment		9,043	33,718
Rent		119,938	96,474
Telephone and Postage Expenses		10,016	14,467
Other		50,447	70,720
Software Purchases		4,116	3,725
Borrowing Costs		5,310	4,640
Total Expenses		**2,036,798**	**2,176,306**
(Loss)/Profit before Income Tax		**(242,337)**	**(233,149)**
Income Tax (Expense)/Income	4	75,420	128,280
(Loss)/Profit for the period		**(166,917)**	**(104,869)**

The above Income Statement should be read in conjunction with the accompanying notes.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	2008 $	2007 $
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	110,899	239,447
Trade and Other Receivables	6	349,904	384,577
Total Current Assets		**460,803**	**624,024**
Non-Current Assets			
Plant and Equipment	7a	137,599	95,735
Intangible Assets	7b	5,996	13,394
Deferred Tax Assets	4	203,700	128,280
Total Non-Current Assets		**347,295**	**237,409**
Total Assets		**808,098**	**861,433**
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8	186,383	101,894
Fees in Advance		22,338	-
Provisions	9	115,492	132,408
Current Tax Liability		-	-
Interest Bearing Liabilities	16a	22,379	20,165
Total Current Liabilities		**346,592**	**254,467**
Non-Current Liabilities			
Trade and Other Payables		42,350	242,350
Provisions	9	20,167	20,515
Shareholder Current Accounts		435,575	435,575
Interest Bearing Liabilities	16a	35,100	13,295
Total Non-Current Liabilities		**533,192**	**711,735**
Total Liabilities		**879,784**	**966,202**
Net Assets		**(71,686)**	**(104,769)**
EQUITY			
Contributed Equity	10	200,100	100
Accumulated Losses	11	(271,786)	(104,869)
Total Equity		**(71,686)**	**(104,769)**

The above Balance Sheet should be read in conjunction with the accompanying notes.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
Cash Flows from Operating Activities			
Receipts from Customers		1,884,126	1,940,577
Payments to Suppliers & Employees		(2,131,942)	(2,264,673)
Interest Received		1,638	22,633
Interest Paid		(3,160)	(368)
Net Cash used in Operating Activities	18	**(249,338)**	**(301,831)**
Cash Flows from Investing Activities			
Proceeds from Sale of Plant & Equipment		13,600	-
Purchase of Plant & Equipment		(69,678)	(56,263)
Net Cash used in Investing Activities		**(56,078)**	**(56,263)**
Cash Flows from Financing Activities			
Proceeds from Issue of Shares		200,000	-
Payment of Finance Lease Liabilities		(23,132)	(22,898)
Net Cash provided by Investing Activities		**176,868**	**(22,898)**
Net Decrease in Cash Held		(128,548)	(380,992)
Cash and Cash Equivalents at Beginning of Year		239,447	100
Cash transferred in/(out) as a result of transfer of operations		-	620,339
Cash and Cash Equivalents at End of Year	5	**110,899**	**239,447**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
Total Equity at the beginning of the year		**(104,769)**	**100**
Profit/(Loss) before Income Tax		(242,337)	(233,149)
Income Tax (Expense)/Income		75,420	128,280
Total recognised income and expense for the year		**(166,917)**	**(104,869)**
Shares issued during the year		**200,000**	**-**
Total Equity at the end of the year		**(71,686)**	**(104,769)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for CADRE design Pty. Limited as an individual entity.

The financial report for the year ended 31 December 2008 was authorised for issue in accordance with a resolution of the Directors of the Company on 3 March 2009.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of CADRE design Pty. Limited comply with International Financial Reporting Standards (IFRS).

Standards issued but not yet effective
Australian Accounting Standards AASB 101, AASB 114, AASB 116, AASB 137, AASB 1004, AASB 2007-8, AASB 2007-10 have been issued but become effective in future periods. CADRE design Pty. Limited has not applied these standards in the preparation of this financial report. Neither early adoption of these standards nor their application when operational impacts this financial report except for changes regarding presentation of financial statements in AASB 101.

Historical cost convention
The financial report has been prepared under the historical cost convention.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the CADRE design Pty. Limited's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.

b) These general purpose financial statements have been prepared on a going concern basis using accrual accounting and historical costs.

c) All amounts are in Australian Dollars.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Summary of Significant Accounting Policies (Cont'd)

d) Financial Instruments

Financial instruments give rise to positions that are a financial asset of either the company or its counterparty and a financial liability (or equity instrument) of the other party. They include cash at bank, receivables and payables and other interest bearing liabilities. All classes of financial instruments including revenue, expenses or other cash flows arising from instruments are recognised at cost on an accrual basis.

Unless otherwise stated, all such amounts are carried in the accounts at net fair value which is considered to equate with the carrying amount as per the balance sheet.

Interest rate risk affects cash at bank and investments where the value of these instruments is subject to fluctuation due to changes in market interest rates.

The company's exposure to interest rate risk and the effective interest rates of financial instruments at year end are:

	2008 $	2007 $	
Cash	110,899	239,447	All at floating interest rates
Creditors	186,383	101,894	All non-interest bearing
Receivables	349,904	384,577	All non-interest bearing
Interest Bearing Liabilities	57,479	33,460	All at fixed interest rates

e) Accounting for Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of GST, except in circumstances where the GST incurred is not recoverable from the Australian Taxation 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 shown 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.

f) Revenue

All revenue relating to the Company's core operations is classified as revenue from operating activities. Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from the sale of goods and services is recognised upon delivery of goods or services to the customer.

Interest revenue is recognised as it accrues using the effective interest method.

g) Plant and Equipment

Plant and Equipment is stated at cost, less, where applicable, any accumulated depreciation and any accumulated impairment. Plant and Equipment is depreciated using the diminishing value method over the estimated useful life of the specific asset, which ranges from 3 to 20 years.

Summary of Significant Accounting Policies (Cont'd)

h) Intangible Assets

Intangible Assets comprise of commercially purchased software and are stated at cost, less, where applicable, any accumulated depreciation and any accumulated impairment. Intangible Assets are depreciated using the prime cost or straight line method over the estimated useful life of the specific asset, which is 2.5 years as prescribed by the Australian Taxation Office.

i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less any allowance for any impairment of receivables. Any changes are accounted for in the income statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Foreign currency debtors reported as current receivables have been translated using the closing exchange rate at 31 December 2008.

j) Payables

Payables represent liabilities for good and services provided to the Company and other amounts. These financial liabilities are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

k) Leases

Leases of fixed assets are classified as finance leases, where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Company.

Finance leases are capitalised by recording an asset (Note 7) and a liability (Note 16) at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Finance lease assets are depreciated using the diminishing value method over the estimated useful life of the specific asset.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

l) Contributed Equity

Contributions of equity by the owners is classified as contributed equity. The amount of contributed equity reflects the authorised, issued and paid up capital of the company (Note 10).

Summary of Significant Accounting Policies (Cont'd)

m) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the reporting date on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

n) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

2. Revenue

The Company's main clients are United States education publishers, Australian national and international corporations and Government departments.

During the year the Australian Dollar initially appreciated against the United States Dollar and then depreciated. Exchange rate fluctuations have a significant impact on revenue.

3. Employee Benefits

	2008	2007
Non-Academic	$	$
Salaries	1,014,487	1,192,058
Payroll Tax	77,438	87,006
Superannuation	99,172	113,491
Annual Leave	87,366	81,713
Long Service Leave	11,247	(12,857)
Worker's Compensation	3,784	4,723
Other	21,282	19,655
Total Employee Benefits	**1,314,776**	**1,485,789**

4. Income Tax Expense

	2008	2007
	$	$
The prima facie tax payable on profit from ordinary activities is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30%	(72,701)	(69,945)
Tax Effect of:		
Non-allowable items	10,948	5,448
Additional allowable items	(15,965)	(11,408)
	(77,718)	(75,905)
Deferred Tax Asset relating to temporary differences	2,298	(52,375)
Under/(over) provision in prior years	-	-
Income Tax Expense/(Income)	**(75,420)**	**(128,280)**

Deferred Tax Asset

	2008	2007
	$	$
Opening Balance	(128,280)	-
Income Tax Expense/(Income)	(75,420)	(128,280)
Closing Balance	**(203,700)**	**(128,280)**

Research & Development is an ongoing activity and the expected tax benefit for the 2008 accounting year is part of the calculation.

5. Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2008	2007
	$	$
Cash and Cash Equivalents	110,899	239,447
Total	**110,899**	**239,447**

6. Trade and Other Receivables

	2008 $	2007 $
Trade Receivables	344,184	358,021
Prepayments	5,720	26,556
	349,904	**384,577**

7. a) Plant and Equipment

	2008 $	2007 $
Plant and Equipment at Cost	201,907	132,789
Accumulated Depreciation	(64,308)	(37,054)
Total Plant and Equipment	**137,599**	**95,735**
A Reconciliation of the carrying amount of Plant & Equipment at the beginning and at the end of the current financial year is set out below.		
Opening Carrying Value	95,735	-
Additions	101,023	50,546
Acquisition through transfer of operations	-	119,603
Disposals	(18,047)	(33,395)
Depreciation Expense	(41,112)	(41,019)
Closing Carrying Value Plant and Equipment	**137,599**	**95,735**

b) Intangible Assets

Intangible Assets at Cost	21,433	20,325
Accumulated Depreciation	(15,437)	(6,931)
Total Intangible Assets	**5,996**	**13,394**

Intangible Assets comprise commercially purchased software that is depreciated over its useful life using rates prescribed by the Australian Taxation Office.

A Reconciliation of the carrying amount of Intangible Assets at the beginning and at the end of the current financial year is set out below.

Opening Carrying Value	13,394	-
Additions	1,108	5,717
Acquisition through transfer of operations	-	14,608
Disposals	-	-
Depreciation Expense	(8,506)	(6,931)
Closing Carrying Value Intangible Assets	**5,996**	**13,394**

8. Trade and Other Payables

	2008 $	2007 $
Trade Payables	137,510	57,538
Accrued Expenses	48,873	44,356
	186,383	**101,894**

9. Provisions

The valuation of the accrued liability is based on actual leave entitlements and salary levels at the end of the reporting year and includes provision for payroll on-costs of superannuation, payroll tax and workers' compensation insurance.

Provision for Long Service Leave has been calculated in accordance with note h) Employee Benefits in the Summary of Significant Accounting Policies. The long-term benefits are measured at present value in accordance with AASB119.

	2008 $	2007 $
Current		
a) Provision for Annual Leave		
Balance at the End of the Year	81,401	69,172
b) Provision for Long Service Leave		
Expected to be settled within 12 months	-	-
Expected to be settled in more than 12 months	34,091	63,236
Balance at the End of the Year	34,091	63,236
Total Current Provisions	**115,492**	**132,408**
Non-current		
b) Provision for Long Service Leave		
Balance at the End of the Year	20,167	20,515
Total Non-current Provisions	**20,167**	**20,515**
Total Provisions	**135,659**	**152,923**

10. Contributed Equity

	2008 $	2007 $
Authorised, Issued and Paid-Up Capital: 200,100 Ordinary Shares of $1 each (2007 - 100 Ordinary Shares of $1 each)	200,100	100

11. Accumulated Funds

	2008 $	2007 $
Balance at the Beginning of the Year	(104,869)	-
Profit/(Loss) for the Period	(166,917)	(104,869)
Balance at the End of the Year	**(271,786)**	**(104,869)**

12. Directors

Directors of the Company who held office during the 2008 financial year were:

David Hegarty - Managing Director
Rhonda Hawkins - Chair
Neil Adams

Directors of the Company act in an honorary capacity.

13. Remuneration of Auditors

Audit fees payable to The Audit Office of New South Wales are $11,200 ($10,700 in 2007). The Auditors did not receive any other benefits during the period.

	2008	2007
	$	$
Audit Fee CADRE design Pty. Limited	11,200	10,700
Audit Fee CADRE design Unit Trust	-	-
	11,200	10,700

14. Contingencies

The Company has a lease for its premises that contains a make good provision when vacating the premises that may cause an expense to be incurred, however an amount cannot be reliably measured. The Company is not aware of any other contingent liabilities in existence as at 31 December 2008.

15. Commitments for Expenditure

a) Capital Commitments

The Company has not entered into any other contractual capital commitments that are not otherwise included in the Financial Statements as at 31 December 2008.

b) Other Expenditure Commitments

The Company has not entered into any other contractual expenditure commitments that are not otherwise included in the Financial Statements as at 31 December 2008.

16. Lease Commitments

	2008 $	2007 $
a) Finance lease commitments		
Payable		
- not later than 1 year	22,379	20,165
- later than 1 year but not later than 5 years	35,100	13,295
- later than 5 years	-	-
	57,479	**33,460**

The Company has a master asset finance agreement with National Australia Bank with a limit of $100,000, subject to annual review. As at 31 December 2008 $51,247 of the facility had been used, with $48,753 remaining unused.

b) Non-cancellable operating lease commitments not capitalised in the financial statements		
Payable		
- not later than 1 year	135,770	131,956
- later than 1 year but not later than 5 years	67,885	196,010
- later than 5 years	-	-
	203,655	**327,966**

The above commitments include input tax credits of $18,514 (2007 - $29,815) that are expected to be recoverable from the Australian Tax Office.

17. Financial Risk Management

CADRE design Pty. Limited's activities expose it to a number of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the major areas of risk, being foreign exchange, credit and liquidity risks and seeks to minimise potential adverse effects on the financial performance and financial position of the company. Due to the nature of the business operations, hedging activities, such as foreign exchange contracts, are not economically viable for the Company. The Company uses different methods to measure and manage the different types of risk to which it is exposed. These methods include aging analysis for credit risk, sensitivity analysis for foreign exchange risk and forecast cash flows and current ratio measurement in relation to liquidity risk.

Risk management is carried out on a day-by-day basis by the Managing Director and Financial Controller under policies approved by the Board of Directors, and overall with financial reporting to the Board on a regular basis. The Board provides the overall principles for risk management, together with written policies, which are reviewed and updated annually, covering specific areas such as banking and foreign exchange. Certain areas of risk, such as credit and liquidity risk, are reviewed by the Board at every meeting.

Financial Risk Management (continued)

a) Market risk

i) Foreign Exchange risk

Some of the Company's main clients are United States education publishers who are billed in US dollars (USD) and remit in USD. The only foreign currency that the company is exposed to is USD and the currency risk arises from the fluctuation in the value of financial instruments due to changes in USD currency exchange rates. The financial instruments that currency risk applies to are trade debtors and cash at bank.

USD denominated invoices are translated using current monthly exchange rates and USD denominated current debtors have been translated at the closing exchange rate at 31 December 2008. The Company maintains an onshore USD bank account to receive remittances in USD and to also pay USD amounts due where applicable. The balance of the USD bank account is translated each month using the closing exchange rate at the end of each month. Amounts in the USD bank account are translated into Australian dollars and transferred into the Australian dollar bank account regularly, only being held long enough to take advantage of short term currency fluctuations, where possible. All gains or losses on currency exchange are recorded against revenue as they occur.

The following table details the Company's sensitivity to a 10% increase and decrease in the Australian dollar against the USD. The sensitivity analysis includes only outstanding USD denominated monetary items, being debtor's invoices and cash at bank, and adjusts their translation at the period end for a 10% change in the foreign currency rate. A positive number indicates an increase in profit and equity where the Australian dollar weakens against the USD and a negative number indicates a decrease in profit and equity where the Australian dollar strengthens against the USD.

31 December 2008	Carrying amount $	-10%		+10%	
		Income $	Equity $	Income $	Equity $
Financial Assets (denominated in USD)					
Trade Debtors	87,120	9,680	9,680	(7,920)	(7,920)
Cash at Bank	30,416	3,380	3,380	(2,765)	(2,765)
Total	**117,536**	**13,060**	**13,060**	**(10,685)**	**(10,685)**

31 December 2007	Carrying amount $	-10%		+10%	
		Income $	Equity $	Income $	Equity $
Financial Assets (denominated in USD)					
Trade Debtors	168,318	18,734	18,734	(15,264)	(15,264)
Cash at Bank	3,739	415	415	(340)	(340)
Total	**172,057**	**19,149**	**19,149**	**(15,604)**	**(15,604)**

Financial Risk Management (continued)

ii) Interest rate risk

The Company has cash deposits at bank, which are at floating interest rates, and interest bearing liabilities in the form of finance leases at fixed interest rates. A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Company's exposure to interest rate risk is set out below.

31 December 2008	Carrying amount $	-1%		+1%	
		Income $	Equity $	Income $	Equity $
Financial Assets					
Cash and cash equivalents	110,899	(1,109)	(1,109)	1,109	1,109
Total	**110,899**	**(1,109)**	**(1,109)**	**1,109**	**1,109**

31 December 2007	Carrying amount $	-1%		+1%	
		Income $	Equity $	Income $	Equity $
Financial Assets					
Cash and cash equivalents	239,447	(2,394)	(2,394)	2,394	2,394
Total	**239,447**	**(2,394)**	**(2,394)**	**2,394**	**2,394**

iii) Other price risk

The Company's exposure to 'other price risk' is minimal.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The risk arises from credit granted to clients for work performed. The Company's clients predominantly consist of major United States education publishers, Australian national and international corporations and Government departments. The credit worthiness of these clients is relatively high and the major clients have had an ongoing relationship with the Company for a number of years.

The Company has a small customer base with significant exposure to the United States which gives rise to credit risk. The Company's management continuously monitors the aging of its trade receivables and reports regularly to the Board. As the Company does not hold any collateral, nor have any netting arrangements, the maximum exposure to credit risk is the total fair value of Receivables, being $349,904 in 2008 ($384,577 in 2007).

The Company does not consider that any of the financial instruments reported at 31 December 2008 is impaired. Due to the nature of the business, the Company considers that trade receivables become past due at 90 days from the invoice date.

Financial Risk Management (continued)

31 December 2008	Carrying amount	2008		2007	
		Current	Past Due (>90 days)	Current	Past Due (>90 days)
	$	$	$	$	$
Financial Assets					
Trade Debtors	321,805	247,649	74,156	250,746	74,915
Total	**321,805**	**247,649**	**74,156**	**250,746**	**74,915**

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations in relation to its financial liabilities. Management monitors the Company's cash position daily and updates it's forecast and actual cash flows monthly. Actual and forecast cash flows are reviewed by the Board at every Board meeting.

Irrespective of market risk and credit risk, as at 31 December 2008 the Company has surplus Total Current Assets of $460,803 ($624,024 in 2007) over Total Current Liabilities of $346,592 ($254,467 in 2007). In addition the University of Western Sydney has given the Company an undertaking that in the event that it is not able to pay for its debts as and when they fall due the University will be financially responsible for ensuring the ongoing solvency of the Company. Therefore the liquidity risk is considered to be minimal. The table below summarises the maturity profile of the Company's financial liabilities together with the interest rate exposure.

31 December 2008	Nominal amount	Interest Rate Exposure		Maturity Dates		
		Fixed Interest Rate	Variable Interest Rate	<1 Year	1-5 Years	>5 Years
	$			$	$	$
Financial Liabilities						
Finance Leases (Interest Bearing Liabilities)	64,382	6.59%	-	25,626	38,756	-
Payables	228,733	-	-	186,383	42,350	-
Shareholder Current Accounts	435,575	-	-	-	-	435,575
Total	**728,690**	**6.59%**	**-**	**212,009**	**81,106**	**435,575**

31 December 2007	Nominal amount	Interest Rate Exposure		Maturity Dates		
		Fixed Interest Rate	Variable Interest Rate	<1 Year	1-5 Years	>5 Years
	$			$	$	$
Financial Liabilities						
Finance Leases (Interest Bearing Liabilities)	35,870	8.29%	-	22,056	13,814	-
Payables	344,244	-	-	301,894	42,350	-
Shareholder Current Accounts	435,575	-	-	-	-	435,575
Total	**815,689**	**8.29%**	**-**	**323,950**	**56,164**	**435,575**

Financial Risk Management (continued)

Notes:

1. The amounts disclosed are contractual undiscounted cash flows of each class of financial liability and therefore may not reconcile to the balance sheet.

d) Fair value estimation

Because of their short term nature the carrying values of all financial instruments recognised in the balance sheet approximates their fair value.

18. Reconciliation of Profit after Income Tax to Net Cash Flows from Operating Activities

	2008 $	2007 $
Profit/(Loss) after Income Tax	(166,917)	(104,869)
Depreciation/Amortisation	49,618	47,950
Disposal of Assets	18,047	33,395
Assets under $300 acquired through of transfer of operations	0	9,028
Movement in Payables *	(92,075)	(31,181)
Movement in Debtors *	13,837	(80,315)
Movement in Provisions *	(17,264)	(21,003)
Movement in Deferred Tax Assets *	(75,420)	(128,280)
Movement in Tax Liabilities *	-	-
Movement in Prepayments *	20,836	(26,556)
Net Cash from Operating Activities	**(249,338)**	**(301,831)**

* Movement only attributable to operating activities

19. Related Party Transactions

	2008 $	2007 $
a) The Company is a controlled entity of the University of Western Sydney which holds an 85% shareholding. The Company provided specialist multimedia services under normal commercial terms and conditions in relation to projects undertaken by the University.	107,023	157,615
b) The following amounts were payable to related parties as at the end of the year:		
University of Western Sydney	370,239	570,239
David Hegarty	65,336	65,336
CADRE design Unit Trust	42,350	42,350
The following amount was receivable from a related party as at the end of the year:		
University of Western Sydney	25,683	17,094

Related Party Transactions (Continued)

c) One Director received remuneration in his role as an Executive Officer. Remuneration includes salary, all allowances and benefits (including motor vehicles and employer superannuation) and fringe benefits tax on allowances and benefit payments.

	2008 Number	2007 Number
$150,000 to $159,999	1	-
$170,000 to $179,999	-	1
Total	1	1

20. Franking Account

	2008 $	2007 $
Franking account balance as at the end of the year	-	-

There are no adjustments required to the franking account.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

21. University of Western Sydney Guarantee

The University of Western Sydney has given the Company an undertaking that in the event that it is not able to pay for its debts as and when they fall due the University will be financially responsible for ensuring the ongoing solvency of the Company.

22. Events after the Balance Date

The Company is not aware of any after balance date events that would render any particulars included in the Financial Statements as at 31 December 2008 to be misleading or inaccurate.

END OF AUDITED FINANCIAL STATEMENTS

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

CADRE Design Unit Trust

To Members of the New South Wales Parliament and Members of CADRE Design Unit Trust

I have audited the accompanying financial report of CADRE Design Unit Trust (the Trust), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Trust as at 31 December 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005

My opinion should be read in conjunction with the rest of this report.

The Directors' Responsibility for the Financial Report

The Directors of the Trustee Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 controls relevant to the Trust'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 Trust's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors of the Trustee Company, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Trust,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

P J Boulous CA
Director, Financial Audit Services

30 March 2009
SYDNEY

CADRE DESIGN UNIT TRUST

STATEMENT BY DIRECTORS OF THE TRUSTEE COMPANY IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 41C OF THE PUBLIC FINANCE & AUDIT ACT, 1983

In the opinion of the Directors of the Trustee Company CADRE design Pty. Limited:

1. The accompanying financial report and notes thereto present a true and fair view of the financial position of the Trust as at 31 December 2008 and its financial performance for the year ended 31 December 2008.

2. At the date of this statement there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due given the underlying guarantee received by the Directors from the University of Western Sydney regarding payment of debts of the Trust.

3. The financial report of the Trust to which this statement relates has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005.

4. In forming an opinion for the purpose of this statement the Trustees have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would impact on the position shown in the financial report.

5. The Trust has been conducted in accordance with its constituted Trust Deed at all times during the period.

6. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

Signed in accordance with a resolution of the Directors of the Trustee Company at Sydney

this 3RD day of MARCH 2009.

DIRECTOR OF THE TRUSTEE COMPANY

DIRECTOR OF THE TRUSTEE COMPANY

CADRE DESIGN UNIT TRUST

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
Revenue		-	-
Expenses		-	-
Profit before Income Tax Expense		-	-
Income Tax (Expense)	2	-	-
Profit for the period		-	-

The above Income Statement should be read in conjunction with the accompanying notes.

CADRE DESIGN UNIT TRUST

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	2008 $	2007 $
ASSETS			
Current Assets			
Receivables	4	42,350	42,350
Total Current Assets		**42,350**	**42,350**
Total Assets		**42,350**	**42,350**
Total Liabilities		**-**	**-**
Net Assets		**42,350**	**42,350**
EQUITY			
Units on Issue	13	42,350	42,350
Accumulated Funds		-	-
Total Equity		**42,350**	**42,350**

The above Balance Sheet should be read in conjunction with the accompanying notes.

CADRE DESIGN UNIT TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
Total Equity at the beginning of the financial year		**42,350**	**42,350**
Profit before Income Tax		-	-
Income Tax (Expense)		-	-
Total recognised income and expense for the year		**-**	**-**
Distribution to Beneficiaries		-	-
Total Equity at the end of the financial year		**42,350**	**42,350**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CADRE DESIGN UNIT TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
Cash Flows from Operating Activities			
Inflows:-			
Receipts from Customers		-	-
Recovery Prior Period Expenses		-	-
Interest Received		-	-
Outflows:-			
Payments to Suppliers & Employees		-	-
Income Tax Paid		-	(119,726)
Net Cash from Operating Activities	14	**-**	**(119,726)**
Cash Flows from Investing Activities			
Outflows:-			
Plant & Equipment Purchases		-	-
Net Cash used in Investing Activities		**-**	**-**
Net Increase/(Decrease) in Cash Held		-	(119,726)
Cash and Cash Equivalents at Beginning of Year		-	740,065
Cash transferred in/(out) as a result of a transfer of operations		-	(620,339)
Cash and Cash Equivalents at End of Year	3	**-**	**-**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

CADRE DESIGN UNIT TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for CADRE design Unit Trust as an individual entity.

The financial report for the year ended 31 December 2008 was authorised for issue in accordance with a resolution of the Directors of the Trustee Company on 3 March 2009.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of CADRE design Unit Trust comply with International Financial Reporting Standards (IFRS).

Standards issued but not yet effective
Australian Accounting Standards AASB 101, AASB 114, AASB 116, AASB 137, AASB 1004, AASB 2007-8, AASB 2007-10 have been issued but become effective in future periods. CADRE design Unit Trust has not applied these standards in the preparation of this financial report. Neither early adoption of these standards nor their application when operational impacts this financial report except for changes regarding presentation of financial statements in AASB 101.

Historical cost convention
This financial report has been prepared under the historical cost convention.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the CADRE design Unit Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.

b) These general purpose financial statements have been prepared on a going concern basis using accrual accounting and historical costs.

c) All amounts are in Australian Dollars.

Summary of Significant Accounting Policies (Cont'd)

d) Financial instruments give rise to positions that are a financial asset of either the trust or its counterparty and a financial liability (or equity instrument) of the other party. They include cash at bank, receivables and payables and other interest bearing liabilities. All classes of financial instruments including revenue, expenses or other cash flows arising from instruments are recognised at cost on an accrual basis.

Unless otherwise stated, all such amounts are carried in the accounts at net fair value which is considered to equate with the carrying amount as per the balance sheet.

Interest rate risk affects cash at bank and investments where the value of these instruments is subject to fluctuation due to changes in market interest rates.

The company's exposure to interest rate risk and the effective interest rates of financial instruments at year end are:

	2008 $	2007 $	
Cash	-	-	All at floating interest rates
Creditors	-	-	All non-interest bearing
Receivables	42,350	42,350	All non-interest bearing
Interest Bearing Liabilities	-	-	All at fixed interest rates

e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

2. Income Tax Expense

CADRE design Unit Trust is deemed to be a public trading trust under section 102R of the Income Tax Assessment Act 1936 because an authority of a government which is not liable for income tax (the University of Western Sydney) holds more than 20% of the issued units. Public trading trusts are subject to similar tax arrangements as companies by virtue of section 102S of the Income Tax Assessment Act 1936.

	2008 $	2007 $
The prima facie tax payable on profit from ordinary activities is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30%	-	-
Tax Effect of:		
Non-allowable items	-	-
Additional allowable items	-	-
	-	-
Deferred Tax Asset now brought to account	-	-
Under/(over) provision in prior years	-	-
Income Tax Expense	-	-

Provision for Income Tax

	2008 $	2007 $
Opening Balance	-	119,726
Income Tax Expense	-	-
Income Tax Paid	-	(119,726)
Closing Balance	-	-

3. Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2008 $	2007 $
Cash and Cash Equivalents	-	-
Total	-	-

4. Receivables

	2008 $	2007 $
Receivables	42,350	42,350
Prepayments	-	-
	42,350	**42,350**

5. a) Plant and Equipment

	2008 $	2007 $
Plant and Equipment at Cost	-	-
Accumulated Depreciation	-	-
Total Plant and Equipment	-	-
A Reconciliation of the carrying amount of Plant & Equipment at the beginning and at the end of the current financial year is set out below.		
Opening Carrying Value	-	128,631
Additions	-	-
Disposals through transfer of operations	-	(128,631)
Depreciation Expense	-	-
Closing Carrying Value Plant and Equipment	-	-

b) Intangible Assets

Intangible Assets at Cost	-	-
Accumulated Depreciation	-	-
Total Intangible Assets	-	-

Intangible Assets comprise commercially purchased software that is depreciated over its useful life using rates prescribed by the Australian Taxation Office.

A Reconciliation of the carrying amount of Intangible Assets at the beginning and at the end of the current financial year is set out below.		
Opening Carrying Value	-	14,608
Additions	-	-
Disposals through transfer of operations	-	(14,608)
Depreciation Expense	-	-
Closing Carrying Value Intangible Assets	-	-

6. Provisions

The valuation of the accrued liability is based on actual leave entitlements and salary levels at the end of the reporting year and includes provision for payroll on-costs of superannuation, payroll tax and workers' compensation insurance.

	2008	2007
Current	$	$
a) Provision for Annual Leave		
Balance at the End of the Year	-	-
b) Provision for Long Service Leave		
Expected to be settled within 12 months	-	-
Expected to be settled in more than 12 months	-	-
Balance at the End of the Year	-	-
Total Current Provisions	-	-
Non-current		
b) Provision for Long Service Leave		
Balance at the End of the Year	-	-
Total Non-current Provisions	-	-
Total Provisions	-	-

7. Trustee

CADRE Design Pty Limited has been appointed Trustee of the Trust. The Directors of the Company in office as at 31 December 2008 were:

David Hegarty - Managing Director
Rhonda Hawkins - Chair
Neil Adams

Directors of the Company act in an honorary capacity.

8. Deed of Trust

The Deed of Trust was settled between the settlor and CADRE Design Pty Limited as Trustee on 22 April 1998.

9. Remuneration of Auditors

Audit fees payable to The Audit Office of New South Wales are $11,200 ($10,700 in 2007). The Auditors did not receive any other benefits during the period.

	2008	2007
	$	$
Audit Fee CADRE design Pty. Limited	11,200	10,700
Audit Fee CADRE design Unit Trust	-	-
	11,200	**10,700**

10. Contingencies

CADRE design Unit Trust is not aware of any contingent liabilities in existence as at 31 December 2008.

11. Commitments for Expenditure

CADRE design Unit Trust has not entered into any contractual expenditure commitments that are not otherwise included in the Financial Statements as at 31 December 2008.

12. Lease Commitments

CADRE design Unit Trust has not entered into any contractual lease commitments that are not otherwise included in the Financial Statements as at 31 December 2008.

13. Units in the Trust

42,350 units have been issued in the Trust, of which 36,000 (85%) units are held by University of Western Sydney and 6,350 (15%) units are held by the Managing Director.

14. Reconciliation of Profit after Income Tax to Net Cash Flows from Operating Activities

	2008 $	2007 $
Profit after Income Tax	-	-
Depreciation/Amortisation	-	-
Loss on Disposal of Assets	-	-
Movement in Payables *	-	-
Movement in Debtors *	-	-
Movement in Provisions *	-	-
Movement in Tax Liabilities *	-	(119,726)
Movement in Prepayments *	-	-
Net Cash From Operating Activities	**0**	**(119,726)**

* Movement only attributable to operating activities

15. Related Party Transactions

		2008 $	2007 $
a)	The following amount was receivable from a related party as at the end of the year:		
	CADRE design Pty. Limited	42,350	42,350

16. Franking Account

	2008	2007
	$	$
Adjusted franking account balance	-	-

The above available amounts are based on the balance of the beneficiary distribution franking accounting at year end adjusted for:

a) franking credits that will arise from the payment of the current tax liability; and

b) franking credits that the entity may be prevented from distributing in subsequent years.

Franking credits are fully distributed each year with the distribution to beneficiaries.

17. University of Western Sydney Guarantee

The University of Western Sydney has given Cadre design Pty. Limited an undertaking that in the event that the Unit Trust is not able to pay its debts as and when they fall due the University will be financially responsible for ensuring the ongoing solvency of the Trust.

18. Events after the Balance Date

There are no known after balance date events that would render any particulars included in the Financial Statements as at 31 December 2008 to be misleading or inaccurate.

END OF AUDITED FINANCIAL STATEMENTS

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Education Training Community Television (ETC TV) Limited

To Members of the New South Wales Parliament and members of Education Training Community Television (ETC TV) Limited

I have audited the accompanying financial report of Education Training Community Television (ETC TV) Limited (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the Company and the consolidated entity. The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2008 and of their performance for the period ended on that date; and
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005

My opinion should be read in conjunction with the rest of this report.

The *Director's* 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 Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 controls 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of the Company on 25 March 2009, would be in the same terms if provided to the Directors as at the date of this auditor's report.

P J Boulous CA
Director, Financial Audit Services

26 March 2009
SYDNEY

DIRECTOR'S REPORT

Your directors present their report on the company for the financial period 1 July 2007 to 31 December 2008.

Directors
The names of the directors in office at any time during or since the end of the year are:
Wayne McKenna (Chair)
Kaye Shumack
Christina Alvirez

Directors have been in office since the start of financial period to the date of this report unless otherwise stated.

Principal Activities
The company was incorporated in May 2003 as a non profit public company limited by guarantee and does not have any share capital. This is its fifth financial report.

The principal activity of the company during the financial year was:
- Membership of Television Sydney (TVS) Limited

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

Operating Results
The (deficit) of the economic entity amounted to ($758,631) (2007 deficiency ($988,873)).

Review of Operations

Educational and Training Television
The company commenced operation in May 2003.

It is the "Education Member" of another Company Limited by Guarantee, Television Sydney (TVS) Limited which commenced television broadcasting in the Sydney region during the 2006 financial year.

Significant Changes in State of Affairs
The directors have appointed 2 representatives to the board of Television Sydney (TVS) Limited and sought ways for this company to operate as a viable entity.

Corporate Governance
The Company attempts to adopt best practice in Corporate Governance.

DIRECTORS REPORT

After Balance Date Events

There were no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Future Developments

The likely developments in the operations of the economic entity and the expected results of those operations in future financial years are as follows:

i The expansion of the television operations for educational groups.

The Board anticipates that the above developments will provide a revenue stream for the Company.

Environmental Issues

The economic entity's operations are not subject to any significant environmental regulation under the law of the Commonwealth and State.

Directors and Executive Officers Emoluments

Disclosure relating to directors and executive officers emoluments has been included in Note 4 of the financial report.

Information on Directors

Conal Wayne Francis McKenna	-	Chair (Non-Executive)
Qualifications	-	Bachelor of Arts(Hons), Leeds University, UK PhD in English, Leeds University
Experience	-	Board member and Chair since corporation in May 2003. Executive Dean, College of Arts, University of Western Sydney. Professor of English, University of Western Sydney.
Special Responsibilities	-	No committees formed at this stage
Kaye Frances Shumack	-	Director (Non Executive)
Qualifications	-	Bachelor of Arts, University of Sydney Master of Fine Arts, University of Sydney
Experience	-	Board member since incorporation in May 2003 Associate Professor (Design), University of Western Sydney Head of School, School of Communication Design and Media, University of Western Sydney
Special Responsibilities	-	No Committees formed at this stage.

Christina Louise Alvarez	-	Director (Non Executive) (Appointed 6 September 2005)
Qualifications	-	BA in Communications, Macquarie University, Sydney MA in Public Broadcast Management, Ohio, USA
Experience	-	Board member since 6 September 2005 Twenty five years in community broadcasting
Social Responsibilities	-	None

No Director can be a member of the company nor have any contract to become a member.

Meetings of Directors

During the financial period, five meetings of directors (including committees of directors, if any) were held. Attendance by each director during the year were:

DIRECTORS' MEETINGS		
Name	**Number eligible to attend**	**Number attended**
Kaye Shumack	2	2
Wayne McKenna	2	2
Christina Alvarez	2	2

Auditors' Independence Declaration

The auditors' independence declaration is attached.

Indemnifying Officers or Auditor

During or since the end of the financial period the company has not given an indemnity not entered an agreement to indemnify, or paid or agreed to pay insurance premiums.

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 any part of those proceedings.

The Company was not party to any such proceedings during the period.

Signed in accordance with a resolution of the Board of Directors.

Wayne McKenna, Director and Chair

Dated this 26 day of March 2009

STATEMENT BY DIRECTORS IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT 1983 AND CORPORATIONS ACT 2001

In the opinion of the Directors of Education Training Community Television Limited:

1. The accompanying financial report and notes thereto present a true and fair view of the financial position of the Company as at 31 December 2008 and its financial performance for the 18 months ended 31 December 2008.

2. At the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due given the underlying guarantee received by the Directors from the University of Western Sydney regarding payment of debts of the Company.

3. The financial report of the Company to which this statement relates has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005 and Corporations Act 2001.

4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial period. No circumstance has arisen or information become available that would impact upon the position shown in the financial report.

5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

Signed at Sydney this 26th day of March 2009

on behalf of the Board and in accordance with its resolution

DIRECTOR

GPO BOX 12
Sydney NSW 2001

To the Directors
Education Training Community Television (ETC TV) Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of Education Training Community Television (ETC TV) Limited for the period ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- any applicable code of professional conduct in relation to the audit.

Peter Boulous
Director, Financial Audit Services

25 March 2009
SYDNEY

INCOME STATEMENT FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2008

	Note	Consolidated 2008 18 MONTHS ENDED 31/12/08 $	Consolidated 2007 12 MONTHS ENDED 30/06/07 $	Parent Entity 2008 18 MONTHS ENDED 31/12/08 $	Parent Entity 2007 12 MONTHS ENDED 30/06/07 $
Revenues from continuing operations	2	1,435,760	442,199	2,273	220
Employee benefits expense	3	862,098	534,930	-	-
Depreciation and amortisation expenses	4	277,672	211630	-	-
Auditors remuneration	5	5,000	2,000	5,000	2,000
Director's fees	6	-	-	-	-
Borrowing costs expense	7	160,390	90,287	-	-
Transmission Expenses		705,288	305,321		
Other expenses from ordinary activities		183,943	286,924	2,203	81
(Deficit) /surplus for the year from continuing operations		(758,631)	(988,873)	(4,930)	(1,861)
Net (deficit) / surplus for the year	15	(758,631)	(988,873)	(4,930)	(1,861)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JULY 2007 TO 31 DECEMBER 2008

	Note	Consolidated 2008 18 MONTHS ENDED 31/12/08 $	Consolidated 2007 12 MONTHS ENDED 30/06/07 $	Parent Entity 2008 18 MONTHS ENDED 31/12/08 $	Parent Entity 2007 12 MONTHS ENDED 30/06/07 $
Total equity at the beginning of the year		(2,306,406)	(1,313,533)	(5,766)	(3,905)
Surplus / (deficit) for the year		(758,631)	(988,873)	(4,930)	(1,861)
Total recognised income and expense for the year		(758,631)	(988,873)	(4,930)	(1,861)
Total equity at the end of the financial year	15	(3,065,037)	(2,306,406)	(10,696)	(5,766)

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	Consolidated 2008 31/12/08 $	Consolidated 2007 30/06/07 $	Parent Entity 2008 31/12/08 $	Parent Entity 2007 30/06/07 $
CURRENT ASSETS					
Cash Assets	8	236,735	24,470	646	339
Receivables	9	53,382	53,883	2,148	-
Transmission Licence Start-up fee	11	40,000	40,000	-	-
TOTAL CURRENT ASSETS		330,117	118,353	2,794	339
NON CURRENT ASSETS					
Property, plant and equipment	10	185,898	402,687	-	-
Transmission Licence Start-up fee	11	238,569	296,667	-	-
TOTAL NON CURRENT ASSETS		424,467	699,354	-	-
TOTAL ASSETS		754,584	817,707	2,794	339
CURRENT LIABILITIES					
Payables	12	729,379	81,814	5,500	-
Provisions	13	47,054	23,813	-	-
TOTAL CURRENT LIABILITIES		776,433	105,627	5,500	-
NON CURRENT LIABILITIES					
Payables	12	6,105	6,105	7,990	6,105
Related Party Payable		3,037,084	3,012,381		
TOTAL NON CURRENT LIABILITIES		3,043,189	3,018,486	7,990	6,105
TOTAL LIABILIITES		3,819,622	3,124,113	13,490	6,105
NET ASSETS		(3,065,038)	(2,306,406)	(10,696)	(5,766)
EQUITY					
Retained surpluses/(accumulated losses)	15	(3,065,038)	(2,306,406)	(10,696)	(5,766)
TOTAL EQUITY	15	(3,065,038)	(2,306,406)	(10,696)	(5,766)

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE PERIOD 1 JULY 2007 TO 31 DECEMBER 2008

	Note	Consolidated		Parent Entity	
		18 MONTHS ENDED 31/12/08	12 MONTHS ENDED 30/06/07	18 MONTHS ENDED 31/12/08	12 MONTHS ENDED 30/06/07
		2008 $	2007 $	2008 $	2007 $
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from members		625	220	625	220
Receipts from customers		712,522	422,362	-	-
Special Funding		723,664		-	-
Interest Received		4,232		-	-
Payments to suppliers and employees		(1,225,993)	(850,312)	(318)	(81)
Net Cash provided by (used in) operating activities	21	215,050	(427,730)	307	139
CASH FLOW FROM INVESTING ACTIVITIES					
Payment for property, plant and equipment		(2,785)	-	-	-
Net cash provided by (used in) investing activities		(2,785)	-	-	-
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of borrowings		1,373,000	-	-	-
Proceeds from borrowings		(1,373,000)	457,500	-	-
Net cash provided by (used in) financing activities		-	457,500	-	-
Net increase in cash held		212,265	29,630	307	139
Cash at beginning of year		24,470	(5,300)	339	200
Cash at end of year		236,735	24,470	646	339

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JULY 2007 TO 31 DECEMBER 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005 and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or, except where stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets.

Education Training Community Television (ETC TV) Limited is a company limited by guarantee, and a controlled entity of the University of Western Sydney (85% ownership),incorporated and domiciled in Australia. Education Training Community Television is the sole member of Television Sydney (TVS) Limited.

The financial report for the 18 months ended 31 December 2008 was authorised for issue in accordance with a resolution of the Directors of the Company on 26th March 2009.

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

Standards issued but not yet effective

Television Sydney (TVS) Limited has not early adopted the following new Accounting Standards which have been issued and are not yet effective: Revised AASB 101 Presentation of Financial Statements (1 January 2009); Revised AASB 114 Segment Reporting (1 July 2008); Revised AASB 116 Property, Plant and Equipment (1 July, 2008); Revised AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2008); Revised AASB 1004 Contributions (1 July 2008); AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009); AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009). It is expected that the impact of the application of the new standards on the Television Sydney (TVS) Limited's financial report in the period of initial application will not be significant.

Historical cost convention
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entities accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1.

Reporting Period
During the current period the Company changed the reporting date. The annual financial report ended 31 December 2008 is presented for a period of eighteen months. However, the comparative amounts are for a twelve month period ended 30 June 2007.

These general purpose financial statements have been prepared on a going concern basis using accrual accounting and historical costs.

All amounts are in Australian Dollars.

Income Tax

The directors believe the company is a not-for-profit organisation for income tax purposes and as such has no liability for income tax.

Plant and Equipment

Plant and Equipment is stated at cost, less, where applicable, any accumulated depreciation and any accumulated impairment. All assets are depreciated over their useful lives, which range from 3 to 20 years.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Lease payments under the operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the years in which they are incurred.

Employee Benefits

Provision is made for the company's liability for employee benefits, if any, arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries, annual leave and sick leave which will be settled after one year, have been measured at amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits, if any, payable later than one year have been measured at the present value of the future cash outflows to be made for those benefits.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Cash

For the purposes of the Cash Flow Statement, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts, if any.

Financial Instruments

Financial instruments give rise to positions that are a financial asset of either the company or its counterparty and a financial liability (or equity instrument) of the other party. They include cash at bank, receivables and payables and other interest bearing liabilities. All classes of financial instruments including revenue, expenses or other cash flows arising from instruments are recognised at cost on an accrual basis.

Unless otherwise stated, all such amounts are carried in the accounts at net fair value which is considered to equate with the carrying amount as per the balance sheet.

Interest rate risk affects cash at bank and investments where the value of these instruments is subject to fluctuation due to changes in market interest rates.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less any allowance for any impairment of receivables. Any changes are accounted for in the income statement when impaired, derecognised or through the amortisation process.
Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables

Payables represent liabilities for goods and services provided to the Company and other amounts. These financial liabilities are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Transmission Lease Asset

Transmission lease start up costs are recognised as a prepayment in the balance sheet and amortised over 10 years, which is the transmission licence term.

Borrowing Costs

Borrowing costs are expensed as incurred.

Revenue

Revenue from the sale of services is recognised upon the delivery of services to customers.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to customers.

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 Statement of Financial Position are shown inclusive of GST.

Change in Accounting Policy

There have been no significant changes in accounting policy during the period.

NOTE 2: REVENUE

	Note	Consolidated 2008 18 MONTHS ENDED 31/12/08 $	Consolidated 2007 12 MONTHS ENDED 30/06/07 $	Parent Entity 2008 18 MONTHS ENDED 31/12/08 $	Parent Entity 2007 12 MONTHS ENDED 30/06/07 $
Program Income		692,391	278,363	-	-
Miscellaneous Income		500	-	-	-
Special Funding		736,364	163,636	-	-
Interest		4,232	-	-	-
Membership fees	2a	2,273	220	2,273	220
Total Revenue		1,435,760	442,199	2,273	220
2a Membership fees					
- Members: Metro Screen Ltd		568	220	568	220
University of Western Sydney		1,705	-	1,705	-
		2,273	220	2,273	220

NOTE 3: EMPLOYEE BENEFITS EXPENSE

Salaries		610,532	381,636	-	-
Superannuation		62,664	33,732	-	-
Annual Leave		23,241	12,500	-	-
Other		165,661	107,062	-	-
		862,098	534,930	-	-

NOTE 4: DEPRECIATION AND AMORTISATION

	Consolidated		Parent Entity	
	18 MONTHS ENDED 31/12/08	12 MONTHS ENDED 30/06/07	18 MONTHS ENDED 31/12/08	12 MONTHS ENDED 30/06/07
	$	$	$	$
			-	-
Plant and Equipment	219,574	171,630		
Transmission start-up fee	58,098	40,000	-	-
	277,672	211,630	-	-

NOTE 5: AUDITORS REMUNERATION

During the period the following fees were paid for services provided by the auditor of the parent entity (figures are exclusive of GST).

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Fees Paid to the Audit Office of New South Wales	15,000	2,000	5,000	2,000
	15,000	2,000	5,000	2,000

NOTE 6: DIRECTORS FEES

No remuneration or retirement benefits were paid to directors.

NOTE 7: BORROWING COSTS

During the period the following costs were incurred in respect of borrowing.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Borrowing Costs	160,390	90,287	-	-
	160,390	90,287	-	-

NOTE 8: CASH ASSETS

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash at Bank	236,735	24,470	646	339
	236,735	24,470	646	339

NOTE 9: RECEIVABLES

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Trade Debtors	21,788	36,987	2,148	-
Provision for Doubtful Debts	-	-	-	-
	21,788	36,987	2,148	-
Prepayments	31,594	16,896	-	-
	53,382	53,883	2,148	-

NOTE 10: PLANT AND EQUIPMENT

At cost	701,625	698,843	-	-
Accumulated depreciation	(515,730)	(296,156)	-	-
Total plant and equipment	185,898	402,687	-	-
Reconciliation of Movement:				
Balance at the beginning of year	402,687	574,317	-	-
Additions	2,785	-	-	-
Disposal	-	-	-	-
Revaluation increments / (decrements)	-	-	-	-
Depreciation expense	(219,574)	(171,630)	-	-
Carrying amount at the end of the year	185,898	402,687	-	-

NOTE 11: TRANSMISSION START UP FEE

At cost	400,000	400,000	-	-
Accumulated amortisation	(121,431)	(63,333)	-	-
Total Transmission Start up fee	278,569	336,667	-	-
The carrying value of the Transmission Start Up Fee is shown in the balance sheet as:				
Current	40,000	40,000	-	-
Non-Current	238,569	296,667	-	-
	278,569	336,667	-	-
Reconciliation of Movement:				
Balance at the beginning of period	336,667	376,667	-	-
Additions	-	-	-	-
Disposal	-	-	-	-
Revaluation increments / (decrements)	-	-	-	-
Amortisation expense	(58,098)	(40,000)	-	-
Carrying amount at the end of the year	278,569	336,667	-	-

NOTE 12: PAYABLES

	Note	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Current					
Creditors		42,233	8,319	-	-
Prepaid Revenue		2,658	800	-	-
Accrued Expenses		684,488	72,695	5,500	-
		729,379	81,814	5,500	-
Non-current					
Accrued Expenses		6,105	6,105	7,990	6,105
		6,105	6,105	7,990	6,105

NOTE 13: PROVISIONS

The valuation of the accrued liability is based on actual leave entitlements and salary levels at the end of the reporting period and includes provision for payroll on-costs of superannuation and workers' compensation insurance.

Current					
Employee Benefits		47,054	23,813	-	-
		47,054	23,813	-	-

NOTE 14: MEMBERS GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company. At 31 December 2008 the number of members were 2 (2007 2).

NOTE 15: RETAINED SURPLUS/(ACCUMULATED LOSSES)

	Note	Consolidated 18 MONTHS ENDED 31/12/08 $	Consolidated 12 MONTHS ENDED 30/06/07 $	Parent Entity 18 MONTHS ENDED 31/12/08 $	Parent Entity 12 MONTHS ENDED 30/06/07 $
Retained surplus/(accumulated losses at the beginning of the financial period		(2,306,406)	(1,317,533)	(5,766)	(3,905)
Net (deficit)/surplus attributable to members of the company		(758,631)	(988,873)	(4,930)	(1,861)
Retained surplus/(accumulated losses) at the end of the financial period		(3,065,037)	(2,306,406)	(10,696)	(5,766)

NOTE 16: CAPITAL AND LEASING COMMITMENTS

There were no capital, leasing or operating expense commitments outstanding as at 31 December 2008.

NOTE 17: CONTINGENT LIABILITIES

There are no known contingent liabilities outstanding as at 31 December 2008.

NOTE 18: SUBSEQUENT EVENTS TO REPORTING DATE

Since the end of the financial period there have been no significant events affecting the operations of the company.

NOTE 19: RELATED PARTY TRANSACTIONS

a. The company is the "Educational Member" of another unlisted not-for-profit public company limited by guarantee, Television Sydney (TVS) Limited. The board of TVS may determine fees payable by Members from time to time.
b. ETC has appointed two directors to the board of TVS. No direct costs were incurred by ETC in relation to the appointment of these directors – each receives emoluments from the members of ETC – being the University of Western Sydney and Metro Screen Limited. No fees are paid by TVS to the directors of that company.
c. Under the constitution of TVS the "UWS foundation director" is a director on the Board and Managing Director of TVS until the Annual General Meeting following repayment/retirement of all amounts outstanding to University of Western Sydney as per the Business Plan approved by the Board of Directors in conjunction with the loan obtained by the company on the guarantee of UWS.
d. Many of the operating costs of the company have been covered by the University of Western Sydney and Metro Screen. An amount of $6,105 (2007 $5,627) is payable to UWS as at the end of the financial period for expenses paid by UWS to be reimbursed by the company. In kind support from the two members has been received by the company for which reimbursement will not be sought.

NOTE 20: SEGMENT REPORTING

The company operates in one business and one geographical segment, being participation in media and communication in Sydney, Australia.

NOTE 21: CASH FLOW INFORMATION

	Note	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
a. Reconciliation of cash					
Cash at the end of the financial period as shown on the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:					
Cash at bank		236,735	24,470	646	339
		236,735	24,470	646	339
b. Reconciliation of Cash flow from operations with loss from ordinary activities after income tax					
Profit/(loss) from ordinary activities		(755,833)	(988,873)	(4,930)	(5,776)
Non-cash flows from ordinary activities:					
Depreciation & amortisation		277,672	211,630	-	-
Decrease/(increase) in receivables		3,745	309,393	(2,148)	-
Decrease/(increase) in payables		671,268	27,620	7,385	1,861
Decrease/(increase) in provisions		18,199	12,500		
Cash flows from operation		215,050	(427,730)	307	139

Note 22 Financial Risk Management

The consolidated entities activities expose it to a number of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the major areas of risk, being interest rate, credit and liquidity risks and seeks to minimise potential adverse effects on the financial performance and financial position of the company. Due to the nature of the business operations, hedging activities, such as foreign exchange contracts, are not economically viable for the entity. The entity uses different methods to measure and manage the different types of risk to which it is exposed. These methods include aging analysis for credit risk, sensitivity analysis for interest rate risk and forecast cash flows and current ratio measurement in relation to liquidity risk.

Risk management is carried out on a day-by-day basis by the CEO and Financial Controller under policies approved by the Board of Directors, and overall with financial reporting to the Board on a regular basis. The Board provides the overall principles for risk management, together with written policies, which are reviewed and updated annually, covering specific areas such as banking and foreign exchange. Certain areas of risk, such as credit and liquidity risk are reviewed by the Board at every meeting.

a) Market Risk

(i) Foreign Exchange Risk

The Entity's exposure to 'foreign exchange risk' is considered minimal.

(ii) Interest Rate Risk

The Entity has cash deposits at bank, which are at floating interest rates, and interest bearing liabilities in the form of related party loans. A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Entity's exposure to interest rate risk is set out below.

Consolidated

31 December 2008	Carrying amount $	-1%		+1%	
		Income $	Equity $	Income $	Equity $
Financial Assets					
Cash and cash equivalents	236,735	(2,368)	(2,368)	2,368	2,368
Financial Liabilities					
Related Party Loan Payable	3,037,084	30,371	30,371	(30,371)	(30,371)
Total	**(2,800,349)**	**28,003**	**28,003**	**(28,003)**	**(28,003)**

31 December 2007	Carrying amount $	-1%		+1%	
		Income $	Equity $	Income $	Equity $
Financial Assets					
Cash and cash equivalents	24,470	(245)	(245)	245	245
Financial Liabilities					
Commercial Loan Payable	1,373,000	13,730	13,730	(13,730)	(13,730)
Related Party Loan Payable	1,639,381	16,394	16,394	(16,394)	(16,394)
Total	**(2,987,911)**	**29,879**	**29,879**	**(29,879)**	**(29,879)**

(iii) Other Price Risk

Nil exposure.

b) **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The risk arises from credit granted to clients for work performed. The Entity's clients predominantly consist of agents for sponsors and Australian program producers. The credit worthiness of these clients is relatively high and the major clients have had an ongoing relationship with the Entity for a number of years.

The Entity's management continuously monitors the aging of its trade receivables and reports regularly to the Board. As the Entity does not hold any collateral, nor have any netting arrangements, the maximum exposure to credit risk is the total fair value of Receivables, being $21,788 in 2008 ($36,987 in 2007).

The Entity considers that $4,000 of the financial instruments reported at 31 December 2008 is impaired. The Entity considers that trade receivables become past due at 30 days from the invoice date.

Consolidated Entity

	2008		2007	
	Current	Past Due	Current	Past Due
	$	(>30 days) $	$	(>30 days) $
Financial Assets				
Trade Debtors	21,788	16,288	5,503	-
Total	21,788	16,288	5,503	-

c) Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting its obligations in relation to its financial liabilities. Management monitors the Entity's cash position daily and updates its forecast and actual cash flows monthly. Actual and forecast cash flows are reviewed by the Board at every Board meeting.

Irrespective of market risk and credit risk, as at 31 December 2008 the consolidated entity has Total Current Assets of $230,117 ($118,358 in 2007) over Total Current Liabilities of $776,433 ($105,627 in 2007). In addition the University of Western Sydney has given the Entity an undertaking that in the event that it is not able to pay for its debts as and when they fall due the University will be financially responsible for ensuring the ongoing solvency of the entity. Therefore the liquidity risk is considered to be minimal. The table below summarises the maturity profile of the entity's financial liabilities together with the interest rate exposure.

Consolidated Entity

31 December 2008	Nominal amount	Maturity Dates		
		<1 Year	1-5 Years	>5 Years
	$	$	$	$
Financial Liabilities				
Payables	729,379	729,379	-	-
Related Party Loans	3,037,084	-	-	3,037,084
Total	**3,037,084**	**729,379**	**-**	**3,037,084**

31 December 2007	Nominal amount	Maturity Dates		
		<1 Year	1-5 Years	>5 Years
	$	$	$	$
Financial Liabilities				
Payables	81,814	81,814	-	-
Related Party Loan Payable	1,639,381	-	-	1,639,381
Commercial Loan Payable	1,373,000	1,373,000	-	-
Total	**3,094,195**	**1,454,814**	**-**	**1,639,381**

NOTE 23: COMPANY DETAILS

The registered office of the company is

Education Training Community Television (ETC TV) Limited
Building BD, Werrington Campus
University of Western Sydney
Great Western Highway Werrington NSW 2747
Mailing address – Locked Bag 1797 Penrith South NSW 1797

The principle place of business is

School of Communication Arts
University of Western Sydney
Great Western Highway, Werrington NSW 2747

The principle activity of the company is acting as a consortium for educational and training institutions in the Sydney region to facilitate educational broadcasting on community television.

NOTE 24 : EVENTS AFTER THE BALANCE DATE

The Company is not aware of any after balance date events that would render any particulars included in the Financial Statements as at 31 December 2008 to be misleading or inaccurate.

END OF AUDITED FINANCIAL REPORT

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

SGSM Limited

To Members of the New South Wales Parliament and Members of SGSM Limited

I have audited the accompanying financial report of the SGSM Limited (the Company), 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 directors' declaration.

Auditor's Opinion

In my opinion the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - 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
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

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 Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

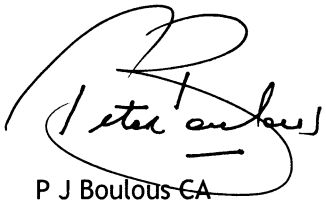
- about the future viability of the Company,
- about the effectiveness of its internal controls, or
- that it has carried out its activities effectively, efficiently and economically.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the *Corporations Act 2001*. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 14 April 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.



P J Boulous CA
Director, Financial Audit Services

17 April 2009
SYDNEY

SGSM LIMITED
ACN 095 399 358

REPORT OF THE DIRECTORS

MEMBERS OF THE BOARD OF THE COMPANY

DIRECTOR:	Professor Janice Reid AM
QUALIFICATIONS AND EXPERIENCE:	B.Sc.(Adel), M.A.(Hawaii), PhD (Stan), M.A.(Stan) A current and former member of various Boards.
SPECIAL RESPONSIBILITIES:	Vice-Chancellor, UWS
PARTICULARS OF SHARES IN THE COMPANY:	Nil
DIRECTORS INTEREST IN CONTRACTS:	Nil

DIRECTOR:	Mr Geoffrey Roberson
QUALIFICATIONS AND EXPERIENCE:	Solicitors Admission Board (S.A.B.) Partner, Champions Legal; Past President, Law Society of New South Wales; and Past President, Parramatta City Chamber of Commerce
SPECIAL RESPONSIBILITIES:	Nil
PARTICULARS OF SHARES IN THE COMPANY:	Nil
DIRECTORS INTEREST IN CONTRACTS:	Nil

DIRECTOR:	Mr M. John Phillips AO
QUALIFICATIONS AND EXPERIENCE:	B.Ec. (Syd). Former Deputy Governor and Deputy Chairman of the Reserve Bank of Australia; Chairman, AGL; Chairman, Foreign Investment Review Board and Director of various companies.
SPECIAL RESPONSIBILITIES:	Chancellor, UWS
PARTICULARS OF SHARES IN THE COMPANY:	Nil
DIRECTORS INTEREST IN CONTRACTS:	Nil

OFFICERS OF THE COMPANY

Company Secretary	Robyn Lyn McGuiggan

REGISTERED OFFICE

College of Business
Building U1, Nirimba Education Precinct
Eastern Road
QUAKERS HILL NSW 2763

AUDITOR

The Audit Office of New South Wales
Level 15
1 Margaret Street
SYDNEY NSW 2001

SGSM LIMITED
ACN 095 399 358

ABOUT THE COMPANY

The SGSM Limited was incorporated on 15th December 2000 as a company limited by guarantee. Since the incorporation the company has not traded. If the company should begin to trade, its principles are to provide marketing, management and administrative support of postgraduate award and professional and executive management programs.

STATEMENT BY THE DIRECTORS

The Directors of SGSM Limited submit the Balance Sheet of the company and related Income Statement for the year ended 31st December 2008 and report as follows:-

1. The Board of Directors of the company met NIL (0) times during 2008

2. The net surplus of the company for the year was $NIL.

3. In the financial year ended 31st December 2008 the total income for the company was $NIL with operating expenses of $NIL

4. During the financial year no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments due and receivable by directors shown in the accounts, or the fixed salary of a full time employee of the company or a related corporation) by reason of a contract made by the company or a related corporation with the directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.

5. As at 31 December 2008 the company reflected an accumulated surplus of $NIL

6. No matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect:
   i) the operations of the company,
   ii) the results of those operations, or
   iii) the state of affairs of the company

7. No dividends have been paid during the year and no recommendation is made as to dividends.

8. Although the company's objectives are not expected to change, the Company does not expect to trade during 2009.

9. The Auditor's Independence Declaration is attached to this report.

Signed in accordance with a resolution of the Directors made pursuant to the Corporations Act 2001 at

this 14th day of April 2009.

Director **Director**

SGSM Ltd

A.C.N. 095 399 358

Statement by Directors in Accordance with the requirements of Section 41C of the Public Finance and Audit Act, 1983 and the Corporations Act 2001.

In the opinion of the Directors of SGSM Ltd:

1. The accompanying financial report is drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2008 and transactions for the year ended 31 December 2008.

2. At the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

3. The financial report of the of the Company has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board , other mandatory financial reporting requirements and the Corporations Act 2001.

4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would materially impact on the position shown in the financial report.

5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in this financial report to be misleading or inaccurate.

Signed on behalf of the Board and in accordance with its resolution at

this 14 day of April 2009.

DIRECTOR **DIRECTOR**

GPO BOX 12
Sydney NSW 2001

To the Directors
SGSM Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of SGSM Limited for the year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the independence requirements of the *Corporations Act 2001* in relation to the audit, and
- any applicable code of professional conduct in relation to the audit.

Peter Boulous
Director Financial Audit Services

14 April 2009
SYDNEY

SGSM Ltd
A.C.N. 095 399 358

Income Statement
for the Year ended 31 December 2008

	Note	2008 $	2007 $
Revenue	4	1,000	1,000
Expenses	4	1,000	1,000
Profit attributable to members of SGSM Ltd		**0**	**0**

The accompanying notes form part of these financial statements.

SGSM Ltd
A.C.N. 095 399 358

Balance Sheet
as at 31 December 2008

	Note	2008 $	2007 $
TOTAL ASSETS		0	0
TOTAL LIABILITIES		0	0
NET ASSETS		0	0
TOTAL EQUITY		0	0

The accompanying notes form part of these financial statements.

SGSM Ltd
A.C.N. 095 399 358

Statement of Recognised Income and Expense for the year ended 31 December 2008

	Notes	2008 $	2007 $
Total equity at the beginning of the financial year		0	0
Net income recognised directly in equity		0	0
Operating result for the year		0	0
Total recognised income and expense for the year		**0**	**0**
Total equity at the end of the financial year		0	0

The accompanying notes form part of these financial statements.

SGSM Ltd
A.C.N. 095 399 358

Cash Flow Statement
for the year ended 31 December 2008

	Notes	2008 $	2007 $
Cash Flows from operating activities			
Inflows:		**0**	**0**
Outflows:		**0**	**0**
Net cash from operating activities		**0**	**0**
Net increase/(decrease) in cash held		0	0
Cash at beginning of the financial year		0	0
Cash at end of the financial year		**0**	**0**

The accompanying notes form part of these financial statements.

SGSM Ltd
A.C.N. 095 399 358

Notes to and forming part of the Accounts for the year ended 31 December 2008

1. The Reporting Entity

The financial report of SGSM Ltd. for the year ended 31 December 2008 has been authorised for issue in accordance with a resolution of Directors on 14 April 2009.

SGSM Ltd has been established as a wholly owned entity of the University of Western Sydney (UWS). The Company is limited by guarantee and was registered on 15 December 2000.

The Directors of the Company for the year ended 31 December 2008 were:

Janice Reid, AM

John Phillips, AO

Geoffrey Roberson

2. Statement of Significant Accounting Policies

The principle accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

This general purpose financial report has been prepared in accordance with the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements and the Corporations Act 2001.

New Australian Accounting Standards issued but not effective

(i) The Company did not early adopt any new accounting standards that are not yet effective.

(ii) The following new Accounting Standards have not been adopted and are not yet effective:

- Revised AASB 101 Presentation of Financial Statements (1 January 2009);
- Revised AASB 114 Segment Reporting (1 July 2008);
- Revised AASB 116 Property, Plant and Equipment (1 July 2008);
- Revised AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2008);
- Revised AASB 1004 Contributions (1 July 2008);
- AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009)
- AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009)

b) Historical cost convention

These financial statements have been prepared under the historical cost convention.

c) Revenue Recognition

In accordance with AASB118 'Revenue', information is disclosed regarding the revenues arising from various types of transactions or other events.

d) Comparatives

Where required comparative figures have been adjusted to conform to changes in presentation for the current financial year.

e) Tax Status

The company is a non-profit organization for income tax purposes and as such has no liability for income tax.

3. Cash Flow Information

Reconciliation of Net Cash Provided by / (Used in) continuing operations to profit attributable to members.

	2008	2007
	$	$
Profit for the year	0	0
Net Cash provided by / (used in) operating activities	0	0

4. Auditors Remuneration

The audit fee payable to The Audit Office of New South Wales was $1,000. (2007: $1,000) The auditors did not receive any other benefits throughout the year. The fee will be paid by the University of Western Sydney.

5. Contingent Liabilities

The Directors of the Company are not aware of any contingent liabilities in existence as at 31 December 2008.

6. After Balance Date Events

There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature likely to significantly affect the operation of the Company, the results of its operations or the state of affairs of the Company in subsequent financial years.

END OF AUDITED FINANCIAL STATEMENTS

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Television Sydney Limited

To Members of the New South Wales Parliament and Members of Television Sydney Limited

I have audited the accompanying financial report of Television Sydney Limited (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the period then ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion, the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the period ended on that date; and
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- is in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

The *Director's* Responsibility for the Financial Report

The 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 the PF&A Act and Corporations Act 2001. 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 controls 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on the 25 March 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

P J Boulous CA
Director, Financial Audit Services

26 March 2009
SYDNEY

Television Sydney Limited
ACN 126 629 034

REPORT OF THE DIRECTORS

MEMBERS OF THE BOARD OF THE COMPANY

DIRECTOR:	Mr Geoffrey Roberson
QUALIFICATIONS AND EXPERIENCE:	Solicitors Admission Board (S.A.B.) Partner, Champions Legal; Past President, Law Society of New South Wales; and Past President, Parramatta City Chamber of Commerce
SPECIAL RESPONSIBILITIES:	Nil
PARTICULARS OF SHARES IN THE COMPANY:	Nil
DIRECTORS INTEREST IN CONTRACTS:	Nil

DIRECTOR:	Ms Delia Maria Browne
QUALIFICATIONS AND EXPERIENCE:	National Copyright Director of Copyright Advisory Group; Past specialist copyright advisor for Minter Ellison; Former Executive Director of Arts Law Centre of Australia
SPECIAL RESPONSIBILITIES:	Nil
PARTICULARS OF SHARES IN THE COMPANY:	Nil
DIRECTORS INTEREST IN CONTRACTS:	Nil

DIRECTOR:	Ms Rhonda Clare Hawkins
QUALIFICATIONS AND EXPERIENCE:	Graduate of Sydney University in Science; Postgraduate qualification in Policy and Management; Fellow of Institute of Company Directors
SPECIAL RESPONSIBILITIES:	Deputy Vice Chancellor, Division of Corporate Services, University of Western Sydney
PARTICULARS OF SHARES IN THE COMPANY:	Nil
DIRECTORS INTEREST IN CONTRACTS:	Nil

OFFICERS OF THE COMPANY

Company Secretary	Paul de Mestre

MEETINGS OF DIRECTORS

No directors or members meetings were held during the period from the company's incorporation on 19 July 2007 to 31 December 2008.

REGISTERED OFFICE

University of Western Sydney
Building BD
Werrington South Campus
Great Western Highway, Werrington NSW 2747

AUDITOR

The Audit Office of New South Wales
Level 15
1 Margaret Street
SYDNEY NSW 2001

Television Sydney Limited
ACN 126 629 034

ABOUT THE COMPANY

Television Sydney Limited was incorporated on 19 July 2007 as a company limited by guarantee. Since incorporation the company has not traded. If the company should begin to trade, its principles are to establish, operate and program a community television station.

STATEMENT BY THE DIRECTORS

The Directors of Television Sydney Limited submit the Balance Sheet of the company and related Income Statement for the period 19 July 2007 to 31st December 2008 and report as follows:-

1. The Board of Directors of the company did not meet during the reporting period.

2. The net surplus of the company for the year was $NIL.

3. In the period 19 July 2007 to 31st December 2008 the total income for the company was $NIL with operating expenses of $NIL

4. During the financial year no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments due and receivable by directors shown in the accounts, or the fixed salary of a full time employee of the company or a related corporation) by reason of a contract made by the company or a related corporation with the directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.

5. As at 31 December 2008 the company reflected an accumulated surplus of $NIL

6. No matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect:
   i) the operations of the company,
   ii) the results of those operations, or
   iii) the state of affairs of the company

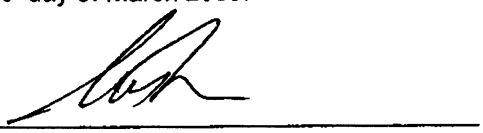
7. No dividends have been paid during the year and no recommendation is made as to dividends.

8. Although the company's objectives are not expected to change, the Company does not expect to trade during 2009.

9. The Auditor's Independence Declaration is attached to this report.

Signed in accordance with a resolution of the Directors made pursuant to the Corporations Act 2001 at

this 26 day of March 2009.



DIRECTOR **DIRECTOR**

Television Sydney Limited
ACN 126 629 034

STATEMENT BY DIRECTORS IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT, 1983 and the Corporations Act 2001.

In the opinion of the Directors of Television Sydney Limited:

1. The accompanying financial report is drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2008 and transactions for the period 19 July 2007 to 31 December 2008.

2. At the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

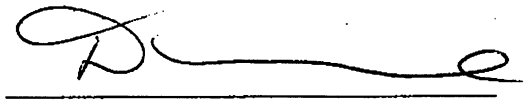
3. The financial report of the of the Company has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board , other mandatory financial reporting requirements and the Corporations Act 2001.

4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would materially impact on the position shown in the financial report.

5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in this financial report to be misleading or inaccurate.

Signed on behalf of the Board and in accordance with its resolution at

this 26th day of March 2009.



DIRECTOR **DIRECTOR**

GPO BOX 12
Sydney NSW 2001

To the Directors
Television Sydney Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of Television Sydney Limited for the period ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- any applicable code of professional conduct in relation to the audit.

Peter Boulous
Director, Financial Audit Services

25 March 2009
SYDNEY

Television Sydney Limited
ACN 126 629 034

Income Statement
for the period 19 July 2007 to 31 December 2008

	Note	2008 $
Revenue	4	0
Expenses	4	0
Profit attributable to members of Television Sydney Limited		0

The accompanying notes form part of these financial statements.

Television Sydney Limited
ACN 126 629 034

Balance Sheet
as at 31 December 2008

	Note	2008 $
Total Assets		0
Total Liabilities		0
Net Assets		0
Total Equity		0

The accompanying notes form part of these financial

Television Sydney Limited
ACN 126 629 034

Statement of Recognised Income and Expense
for the period 19 July 2007 to 31 December 2008

	Notes	2008 $
Total equity at the beginning of the financial year		0
Net income recognised directly in equity		0
Operating result for the year		0
Total recognised income and expense for the year		0
Total equity at the end of the financial year		0

The accompanying notes form part of these financial statements.

Television Sydney Limited
ACN 126 629 034

Cash Flow Statement
for the period 19 July 2007 to 31 December 2008

	Notes	2008 $
Cash Flows from operating activities		
Inflows:		0
Outflows:		0
Net cash from operating activities		0
Net increase/(decrease) in cash held		0
Cash at beginning of the financial year		0
Cash at end of the financial year		0

The accompanying notes form part of these financial statements.

Notes to and forming part of the Accounts for the year ended 31 December 2008

1. The Reporting Entity

The financial report of Television Sydney Limited for the period 19 July 2007 to 31 December 2008 has been authorised for issue in accordance with a resolution of Directors on 26 March 2009.

Television Sydney Limited has been established as a controlled entity of the University of Western Sydney (UWS). The Company is limited by guarantee and was registered on 19 July 2007.

The Directors of the Company for the reporting period were:

Geoffrey Mark Roberson

Delia Maria Browne

Rhonda Clare Hawkins

2. Statement of Significant Accounting Policies

The principle accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

This general purpose financial report has been prepared in accordance with the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements and the Corporations Act 2001.

New Australian Accounting Standards issued but not effective

i. The Company did not early adopt any new accounting standards that are not yet effective.

ii. The following new Accounting Standards have not been adopted and are not yet effective:

- Revised AASB 101 Presentation of Financial Statements (1 January 2009);
- Revised AASB 114 Segment Reporting (1 July 2008);
- Revised AASB 116 Property, Plant and Equipment (1 July 2008);
- Revised AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2008);
- Revised AASB 1004 Contributions (1 July 2008);
- AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009)
- AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009)

b) Historical cost convention

These financial statements have been prepared under the historical cost convention.

c) Revenue Recognition

In accordance with AASB118 'Revenue', information is disclosed regarding the revenues arising from various types of transactions or other events.

d) Comparatives

Where required comparative figures have been adjusted to conform to changes in presentation for the current financial year.

e) Tax Status

The Directors believe the company is a non-profit organization for income tax purposes and as such has no liability for income tax

2. Reconciliation of Net Cash Provided by / (Used In) continuing operations to Net result from continuing operations:

	2008	2007
	$	$
Profit for the year	0	0
Net Cash provided by / (used in) operating activities	0	0

4. Auditors Remuneration

The audit fee payable to The Audit Office of New South Wales was $1,000. (2007: $1,000) The auditors did not receive any other benefits throughout the year. The fee will be paid by the University of Western Sydney.

5. Contingent Liabilities

The Directors of the Company are not aware of any contingent liabilities in existence as at 31 December 2008.

6. After Balance Date Events

There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature likely to significantly affect the operation of the Company, the results of its operations or the state of affairs of the Company in subsequent financial years.

END OF AUDITED FINANCIAL STATEMENTS

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Television Sydney (TVS) Limited

To Members of the New South Wales Parliament and Members of Television Sydney (TVS) Limited

I have audited the accompanying financial report of Television Sydney (TVS) Limited (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the period then ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion, the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the period ended on that date; and
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- is in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

The *Director's* Responsibility for the Financial Report

The 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 the PF&A Act and Corporations Act 2001. 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 controls 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on the 25 March 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Peter Boulous
Director, Financial Audit Services

26 March 2009
SYDNEY

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

DIRECTORS' REPORT

Your directors present their report on the 18 months ended 31st December 2008.

Directors

The names of directors in office at any time during or since the end of the period year are:

Geoffrey Roberson	(Chairman / Managing Director)	Appointed 3 June 2004
Delia Browne	Non Executive	Appointed 14 October 2004
Juli Brown	Non Executive	Appointed 27 September 2006
Harold Mitchell	Non Executive	Appointed 27 September 2006
Rhonda Hawkins	Non Executive	Appointed 21 November 2007
Wayne McKenna	Non Executive	Appointed 6 February 2008
Alexander Marinos	Non Executive	Appointed 6 February 2008
David Barrington	Non Executive	Appointed 4 December 2006 Ceased 21 November 2007
Ross Marshall	Non Executive	Appointed 4 December 2006 Ceased 21 November 2007

Company Secretary

Richard Doyle – Appointed 19 April 2007 Ceased 28 November 2008

Paul de Mestre - Appointed 17 December 2008

Acting Chief Executive Officer

Laurie Patton

Members

There is one member:

Education Training Community Television (ETC TV) Limited. ETC TV consists of the University of Western Sydney (UWS) and Metro Screen.

Principal Activities

Television Sydney (TVS) Limited holds the licence for the Sydney free-to-air community television channel. The Company is a not-for-profit unlisted public company limited by guarantee and does not have any share capital. This is its fifth Annual Report.

The principal activity of the Company during the period was broadcasting from its operations centre located on the University of Western Sydney (UWS) campus at Werrington South, which is linked to a high powered (20kW) UHF transmitter located at Gore Hill. TVS commenced test broadcasts in November 2005 and began running a full program schedule on 20 February 2006.

The broadcast operations centre is essentially a distribution point for programs supplied to TVS from the community and other program providers. TVS therefore draws its programs from a wide range of sources, with a specific focus on community and educational programs made for and about Sydney by locally based producers. TVS does not have its own production facilities at this stage and therefore does not produce programs.

The channel broadcasts 24 hours a day 7 days a week and sources its revenue from the sale of 30 second "sponsorship announcements" and up to 8 hours per day of program airtime. Procurement of sponsorship revenue has been outsourced to Stenmark Media Brokers Pty Limited.

Location of the broadcast operations centre at the UWS Werrington South Campus was a prerequisite of the UWS financial package, with the expectation that a new Masters Degree Course in Television would provide a regular supply of student interns to learn and assist in the running of the station.

Throughout the period UWS provided considerable financial and in-kind support to the Company. Metro Screen provided some in-kind support.

The Company does not receive any government subsidies.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

DIRECTORS' REPORT

Operating Results
The (deficiency) for the 18 months of the economic entity amounted to $(753,702) (2007 ($987,012)).

Review of Operations
Since incorporation the directors have succeeded in obtaining a community television licence and have sought ways for this company to operate as a viable entity. This includes negotiating a financial and in-kind support package from UWS.

Operational highlights include:

- The company has continued to operate the station which is broadcasting 24 hours per day, seven days per week.

- The Company has a small but dedicated team of industry professionals who, along with a number of less experienced employees and volunteers, undertake the day to day operational tasks associated with the broadcast operations centre.

TVS broadcasts a wide range of community produced programs. Approximately 100 community organisations or individuals have prodived content to the channel and almost 1000 volunteers have been involved in the creation of programming for the channel.

Significant Changes in State of Affairs
During the period the constitution of the company was revised, reducing the number of members to 1, resulting in the company becoming a Controlled Entity of Education Training Community Television (ETC TV) Limited. ETC is a 75% Controlled Entity of UWS. As a result of this The Audit Office of NSW assumed the companys' audit and the previous Auditor, Mr Bruce McLennan resigned.

The Company has changed its Balance Date to 31st December 2008 to synchronise with UWS.

Corporate Governance
The Company aims to adopt best practice in Corporate Governance.

After Balance Date Events
Since the end of the financial year period there have been no significant events.

Human Resources
None of the TVS staff is currently secured by contract. In addition to full time employees the company engages part time workers and volunteers to assist with the station's operations.

Environmental Issues
The economic entity's operations are not subject to any significant environmental regulation under the law of the Commonwealth and State.

Directors' and Executive Officers' Emoluments
Disclosure relating to directors' and executive officers' emoluments has been included in Note 11 of the financial report.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

DIRECTORS' REPORT

Meetings of Directors

During the financial period 8 meetings of directors were held. Attendances by each director during the year were:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Geoffrey Roberson	8	8
Delia Browne	8	7
Juli Brown	8	6
Harold Mitchell	8	6
Rhonda Hawkins	8	5
Wayne McKenna	6	6
Alexander Marinos	6	3
David Barrington	1	1
Ross Marshall	1	1

Generally, where Directors were unable to attend, alternates were arranged in accordance with the TVS constitution.

Auditors Independence Declaration

The auditors independence declaration is attached.

Indemnifying Officers

During or since the end of the financial period the Company has paid an insurance premium for Director's and Officer's Insurance to insure each of the directors (past, present and future) 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 constitution of the Company provides for an indemnity against proceedings (cl 28.1 TVS Constitution).

Proceedings on Behalf of Company

No proceedings on behalf of the Company occurred during the financial period.

Signed in accordance with a resolution of the Board of Directors.

Dated this 26th day of March 2009.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

STATEMENT BY DIRECTORS IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT, 1983 AND THE CORPORATIONS ACT 2001

In the opinion of the Directors of Television Sydney (TVS) Limited:

1. The accompanying financial report and notes thereto present a true and fair view of the financial position of the Company as at 31 December 2008 and its financial performance for the 18 months ended 31 December 2008.

2. At the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due given the underlying guarantee received by the Directors from the University of Western Sydney regarding payment of debts of the Company.

3. The financial report of the Company to which this statement relates has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005, and the Coporations Act 2001.

4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial period. No circumstance has arisen or information become available that would impact upon the position shown in the financial report.

5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

Signed at Sydney this day of 2009

on behalf of the Board and in accordance with its resolution

DIRECTOR **DIRECTOR**

AUDITOR-GENERAL
NEW SOUTH WALES

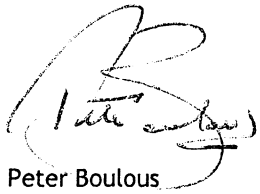
GPO BOX 12
Sydney NSW 2001

To the Directors
Television Sydney (TVS) Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of Television Sydney (TVS) Limited for the period ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- any applicable code of professional conduct in relation to the audit.



Peter Boulous
Director, Financial Audit Services

25 March 2009
SYDNEY

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2008

	Note	2008 18 MONTHS ENDED 31/12/2008 $	2007 12 MONTHS ENDED 30/06/2007 $
Revenue			
Program Income	2	694,276	278,363
Miscellaneous Income		500	-
Special Funding		736,364	163,636
Interest Income		4,232	-
Total Revenue		**1,435,372**	**441,999**
Expenses			
Borrowing Costs		160,390	90,287
Depreciation and amortisation		277,672	211,630
Employee Benefits	3	862,098	534,930
Transmission Expenses		705,288	305,321
Other		183,626	286,843
Total Expenses		**2,189,074**	**1,429,011**
(Loss)/Profit for the period		**(753,702)**	**(987,012)**

The above Income Statement should be read in conjunction with the accompanying notes.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	2008 AS AT 31/12/2008 $	2007 AS AT 30/06/2007 $
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	236,089	24,131
Trade and Other Receivables	5	51,234	53,883
Related Party Receivables	18a	1,885	-
Transmission Licence Start Up Fee	6b	40,000	40,000
Total Current Assets		**329,208**	**118,014**
Non-Current Assets			
Plant and Equipment	6a	185,898	402,687
Transmission Licence Start Up Fee	6b	238,569	296,667
Total Non-Current Assets		**424,467**	**699,354**
Total Assets		**753,675**	**817,368**
LIABILITIES			
Current Liabilities			
Payables	7	723,879	81,814
Provisions	8	47,054	23,813
Total Current Liabilities		**770,933**	**105,627**
Non-Current Liabilities			
Trade and Other Payables		-	-
Provisions		-	-
Other Non Current Liabilities	14	-	1,373,000
Related Party Loans	18b	3,037,084	1,639,381
Total Non-Current Liabilities		**3,037,084**	**3,012,381**
Total Liabilities		**3,808,017**	**3,118,008**
Net Assets		**(3,054,342)**	**(2,300,640)**
EQUITY			
Accumulated Losses	10	(3,054,342)	(2,300,640)
Total Equity		**(3,054,342)**	**(2,300,640)**

The above Balance Sheet should be read in conjunction with the accompanying notes.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2008

	Note	2008 18 MONTHS ENDED 31/12/2008 $	2007 12 MONTHS ENDED 30/06/2007 $
Total Equity at the beginning of the year		**(2,300,640)**	**(1,313,628)**
Profit/(Loss) for the period		(753,702)	(987,012)
Total recognised income and expense for the year		**(753,702)**	**(987,012)**
Total Equity at the end of the year		**(3,054,342)**	**(2,300,640)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2008

	Note	2008 18 MONTHS ENDED 31/12/2008 $	2007 12 MONTHS ENDED 30/06/2007 $
Cash Flows from Operating Activities			
Receipts from Customers		712,522	422,362
Special Funding		723,664	-
Interest Received		4,232	-
Payments to Suppliers & Employees		(1,225,675)	(850,231)
Net Cash from/(used in) Operating Activities	17	**214,743**	**(427,869)**
Cash Flows from Investing Activities			
Purchase of Plant and Equipment		(2,785)	-
Net Cash used in Investing Activities		**(2,785)**	**-**
Cash Flows from Financing Activities			
Proceeds from borrowings		(1,373,000)	457,500
Repayment of Borrowings		1,373,000	-
Net Cash from/(used in) Financing Activities		-	457,500
Net Increase/(Decrease) in Cash Held		211,958	29,631
Cash and Cash Equivalents at Beginning of Year		24,131	(5,500)
Cash and Cash Equivalents at End of Year	4	**236,089**	**24,131**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2008

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company is limited by guarantee, with Education Training Community Television (ETC TV) Limited being the sole member. The financial report includes financial statements for Television Sydney (TVS) Limited as an individual entity.

The financial report for the 18 months ended 31 December 2008 was authorised for issue in accordance with a resolution of the Directors of the Company on 26th March 2009.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005 and the Corporations Act 2001.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRS ensures that the financial statements and notes of Television Sydney (TVS) Limited comply with International Financial Reporting Standards (IFRS).

Standards issued but not yet effective
Television Sydney (TVS) Limited has not early adopted the following new Accounting Standards which have been issued and are not yet effective: Revised AASB 101 Presentation of Financial Statements (1 January 2009); Revised AASB 114 Segment Reporting (1 July 2008); Revised AASB 116 Property, Plant and Equipment (1 July, 2008); Revised AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2008); Revised AASB 1004 Contributions (1 July 2008); AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009); AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009). It is expected that the impact of the application of the new standards on the Television Sydney (TVS) Limited's financial report in the period of initial application will not be significant.

Historical cost convention
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Television Sydney (TVS) Limited's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.

Reporting Period
During the current period the Company changed the reporting date. The annual financial report ended 31 December 2008 is presented for a period of eighteen months. However, the comparative amounts are for a twelve month period ended 30 June 2007.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

Summary of Significant Accounting Policies (Cont'd)

b) These general purpose financial statements have been prepared on a going concern basis using accrual accounting and historical costs.

c) All amounts are in Australian Dollars.

d) Financial instruments give rise to positions that are a financial asset of either the company or its counterparty and a financial liability (or equity instrument) of the other party. They include cash at bank, receivables and payables and other interest bearing liabilities.

e) **Plant and Equipment**
Plant and Equipment is stated at cost, less, where applicable, any accumulated depreciation and any accumulated impairment. All assets are depreciated over their useful lives, which range from 3 to 20 years.

f) **Revenue**
All revenue relating to the Company's core operations is classified as revenue from operating activities.

Revenue from the sale of goods and services is recognised upon delivery of goods or services to the customer.

Interest revenue is recognised as it accrues using the effective interest method.

g) Foreign currency debtors if any are translated using the closing exchange rate at 31 December 2008.

h) **Accounting for Goods and Services Tax (GST)**
Revenue, expenses and assets are recognised net of GST, except in circumstances where the GST incurred is not recoverable from the Australian Taxation 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 shown 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) **Receivables**
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less any allowance for any impairment of receivables. Any changes are accounted for in the income statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Summary of Significant Accounting Policies (Cont'd)

j) Payables

Payables represent liabilities for goods and services provided to the Company and other amounts. These financial liabilities are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

k) Transmission Lease Asset

Transmission lease start up costs are recognised as a prepayment in the balance sheet and amortised over 10 years, which is the transmission licence term.

l) Borrowing Costs

Borrowing costs are expensed as incurred.

m) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the reporting date on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

n) Income Tax

The Directors believe the company is a non-profit organisation for income tax purposes and as such has no liability for income tax.

2. Revenue

The Company's main clients are agents for sponsors and Australian program producers.

3. Employee Benefits

	2008 18 MONTHS ENDED 31/12/2008 $	2007 12 MONTHS ENDED 30/06/2007 $
Salaries	610,532	381,636
Superannuation	62,664	33,732
Annual Leave	23,241	12,500
Other	165,661	107,062
Total Employee Benefits	**862,098**	**534,930**

4. Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2008 $	2007 $
Cash and Cash Equivalents	236,089	24,131
Total	**236,089**	**24,131**

5. Trade and Other Receivables

	2008 $	2007 $
Trade Receivables	19,640	36,987
Prepayments	31,594	16,896
Related Party Receivables	1,885	-
	53,119	**53,883**

6. a) Plant and Equipment

	2008 $	2007 $
Plant and Equipment at Cost	701,628	698,843
Accumulated Depreciation	(515,730)	(296,156)
TOTAL PLANT & EQUIPMENT	**185,898**	**402,687**

A Reconciliation of the carrying amount of Plant & Equipment at the beginning and at the end of the current financial year is set out below.

Opening Carrying Value	402,687	574,317
Additions	2,785	-
Depreciation Expense	(219,574)	(171,630)
CLOSING CARRYING VALUE PLANT & EQUIPMENT	**185,898**	**402,687**

b) Transmission Start Up Fee

Transmission Fee - at Cost	400,000	400,000
Accumulated amortisation	(121,431)	(63,333)
TOTAL TRANSMISSION START UP FEE	**278,569**	**336,667**

The carrying value of the Transmission Start Up Fee is shown in the balance sheet as:

Current	40,000	40,000
Non-Current	238,569	296,667
	278,569	**336,667**

A Reconciliation of the carrying amount of Transmission Start Up Fee at the beginning and at the end of the current financial year is set out below.

Opening Carrying Value	336,667	376,667
Additions	-	-
Amortisation Expense	(58,098)	(40,000)
CLOSING CARRYING VALUE TRANSMISSION START UP FEE	**278,569**	**336,667**

7. Trade and Other Payables

	2008 $	2007 $
Trade Payables	42,233	8,319
Prepaid Revenue	2,658	800
Accrued Expenses	678,988	72,695
	723,879	**81,814**

8. Provisions

The valuation of the accrued liability is based on actual leave entitlements and salary levels at the end of the reporting year and includes provision and payroll on-costs of superannuation and workers' compensation insurance.

	2008	2007
Current	$	$
Provision for Annual Leave	47,054	23,813
Total Provisions	**47,054**	**23,813**

9. Equity - Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company.

	2008	2007
At 31 December 2008 the number of members was	1	1

10. Accumulated Funds

	2008 18 MONTHS ENDED 31/12/2008 $	2007 12 MONTHS ENDED 30/06/2007 $
Balance at the Beginning of the Year	**(2,300,640)**	**(1,313,628)**
Profit/(Loss) for the Period	(753,702)	(987,012)
Balance at the End of the Year	**(3,054,342)**	**(2,300,640)**

11. Directors

Directors of the Company who held office during the 18 month period were:

Geoffrey Roberson (Chairman / Managing Director)		Appointed 3 June 2004
Delia Browne	Non Executive	Appointed 14 October 2004
Juli Brown	Non Executive	Appointed 27 September 2006
Harold Mitchell	Non Executive	Appointed 27 September 2006
Rhonda Hawkins	Non Executive	Appointed 21 November 2007
Wayne McKenna	Non Executive	Appointed 6 February 2008
Alexander Marinos	Non Executive	Appointed 6 February 2008
David Barrington	Non Executive	Appointed 4 December 2006 Ceased 21 November 2007
Ross Marshall	Non Executive	Appointed 4December 2006 Ceased 21 November 2007

Directors of the Company act in an honorary capacity.

12. Remuneration of Auditors

Audit fees payable to The Audit Office of New South Wales are $11,000 including GST. The Auditors did not receive any other benefits during the period.

	2008	2007
	$	$
	11,000	4,240
	11,000	**4,240**

13. Capital Expenditure Commitments

a) Other Expenditure Commitments

The Company has not entered into any contractual expenditure commitments that are not otherwise included in the Financial Statements as at 31 December 2008.

14. Other Non Current Liabilities

	2008	2007
	$	$
Bank facilities	-	1,373,000
	0	1,373,000

a) The bank commercial bill facility (now surrendered) was guaranteed by the University of Western Sydney

15. Lease Commitments

	2008 $	2007 $
a) Finance lease commitments		
Payable		
- not later than 1 year	-	-
- later than 1 year but not later than 5 years	-	-
- later than 5 years	-	-
	-	-
b) Non-cancellable operating lease commitments not capitalised in the financial statements		
Payable		
- not later than 1 year	-	-
- later than 1 year but not later than 5 years	-	-
- later than 5 years	-	-
	-	-

16. Financial Risk Management

Television Sydney (TVS) Limited's activities expose it to a number of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the major areas of risk, being interest rate, credit and liquidity risks and seeks to minimise potential adverse effects on the financial performance and financial position of the company. Due to the nature of the business operations, hedging activities, such as forward contracts, are not economically viable for the Company. The Company uses different methods to measure and manage the different types of risk to which it is exposed. These methods include aging analysis for credit risk, sensitivity analysis for interest rate risk and forecast cash flows and current ratio measurement in relation to liquidity risk.

Risk management is carried out on a day-by-day basis by the CEO and CFO under policies approved by the Board of Directors, and overall with financial reporting to the Board on a regular basis. The Board provides the overall principles for risk management, together with written policies, which are reviewed and updated annually, covering specific areas such as banking. Certain areas of risk, such as credit and liquidity risk, are reviewed by the Board at every meeting.

a) Market risk

i) Foreign Exchange risk

The Company's exposure to 'foreign exchage risk' is minimal.

Financial Risk Management (continued)

ii) Interest rate risk

The Company has cash deposits at bank, which are at floating interest rates, and interest bearing liabilities in the form of related party loans. A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Company's exposure to interest rate risk is set out below.

31 December 2008	Carrying amount $	-1%		+1%	
		Income $	Equity $	Income $	Equity $
Financial Assets					
Cash and cash equivalents	236,089	(2,361)	(2,361)	2,361	2,361
Financial Liabilities					
Related Party Loan Payable	3,037,084	30,371	30,371	(30,371)	(30,371)
Total	**(2,800,995)**	**28,010**	**28,010**	**(28,010)**	**(28,010)**

31 December 2007	Carrying amount $	-1%		+1%	
		Income $	Equity $	Income $	Equity $
Financial Assets					
Cash and cash equivalents	24,131	(2,394)	(2,394)	2,394	2,394
Financial Liabilities					
Commercial Loan Payable	1,373,000	13,730	13,730	(13,730)	(13,730)
Related Party Loan Payable	1,639,381	16,394	16,394	(16,394)	(16,394)
Total	**(2,988,250)**	**27,730**	**27,730**	**(27,730)**	**(27,730)**

iii) Other price risk

The Company's exposure to 'other price risk' is minimal.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The risk arises from credit granted to clients for work performed. The Company's clients predominantly consist of agents for sponsors and Australian program producers. The credit worthiness of these clients is relatively high and the major clients have had an ongoing relationship with the Company for a number of years.

The Company's management continuously monitors the aging of its trade receivables and reports regularly to the Board. As the Company does not hold any collateral, nor have any netting arrangements, the maximum exposure to credit risk is the total fair value of Receivables, being $19,640 in 2008 ($36,987 in 2007).

The Company considers that $4,000 of the financial instruments reported at 31 December 2008 is impaired. The Company considers that trade receivables become past due at 30 days from the invoice date.

Financial Risk Management (continued)

	2008		2007	
	Current	Past Due (>30 days)	Current	Past Due (>30 days)
	$	$	$	$
Financial Assets				
Trade Debtors	5,240	14,400	36,987	-
Total	**5,240**	**14,400**	**36,987**	**-**

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations in relation to its financial liabilities. Management monitors the Company's cash position daily and updates it's forecast and actual cash flows monthly. Actual and forecast cash flows are reviewed by the Board at every Board meeting.

Irrespective of market risk and credit risk, as at 31 December 2008 the Company has Total Current Assets of $329,208 ($118,014 in 2007) over Total Current Liabilities of $770,933 ($105,627 in 2007). In addition the University of Western Sydney has given the Company an undertaking that in the event that it is not able to pay for its debts as and when they fall due the University will be financially responsible for ensuring the ongoing solvency of the Company. Therefore the liquidity risk is considered to be minimal. The table below summarises the maturity profile of the Company's financial liabilities together with the interest rate exposure.

31 December 2008	Nominal amount	Maturity Dates		
		<1 Year	1-5 Years	>5 Years
	$	$	$	$
Financial Liabilities				
Payables	723,879	723,879	-	-
Related Party Loans	3,037,084	-	-	3,037,084
Total	**3,760,963**	**723,879**	**-**	**3,037,084**

31 December 2007	Nominal amount	Maturity Dates		
		<1 Year	1-5 Years	>5 Years
	$	$	$	$
Financial Liabilities				
Payables	81,814	81,814	-	-
Related Party Loan Payable	1,639,381	-	-	1,639,381
Commercial Loan Payable	1,373,000	1,373,000	-	-
Total	**3,094,195**	**1,454,814**	**-**	**1,639,381**

Financial Risk Management (continued)

1. The amounts disclosed are contractual undiscounted cash flows of each class of financial liability and therefore may not reconcile to the balance sheet.

d) Fair value estimation

The company does not hold any derivatives, either publicly traded, contracts classified as held for trading, or over-the-counter derivatives. Unless otherwise stated, all financial instrument amounts are carried in the accounts at net fair value which is considered to equate with the carrying amount as per the balance sheet.

17. Reconciliation of Profit to Net Cash Flows from Operating Activities

	2008 18 MONTHS ENDED 31/12/2008 $	2007 12 MONTHS ENDED 30/06/2007 $
Profit/(Loss)	(753,702)	(987,012)
Depreciation/Amortisation	277,672	211,630
Movement in Payables *	666,768	27,620
Movement in Debtors *	15,462	(19,637)
Movement in Provisions *	23,241	12,500
Movement in Prepayments *	(14,698)	327,030
Net Cash from Operating Activities	**214,743**	**(427,869)**

* Movement only attributable to operating activities

18. Related Party Transactions

	2008 $	2007 $
a) The Company is a controlled entity of Education Training Community Television (ETC TV) Limited which holds a 100% shareholding. Education Training Community Television (ETC TV) Limited in turn is a controlled entity of The University of Western Sydney which holds a 75% shareholding.		-
b) The following amounts were payable by related parties as at the end of the period: Education Training Community Television (ETC TV) Limited	1,885	-
c) The following amounts were payable to related parties as at the end of the period: University of Western Sydney	3,037,084	1,639,381

University of Western Sydney - Repayment of $1,639,381 owed to the University of Western Sydney is deferred until no later than 30 June 2010. Interest is payable on that amount at 2% (2007 2%) above the published rate of the Reserve Bank of Australia but has been waived up to the current (and prior) period. An amount of $1,373,000 is accruing interest at the Tcorp Cash Facility rate plus 0.5%.

19. University of Western Sydney Guarantee

The University of Western Sydney has given the Company an undertaking that in the event that it is not able to pay for its debts as and when they fall due the University will be financially responsible for ensuring the ongoing solvency of the Company.

20. Events after the Balance Date

The Company is not aware of any after balance date events that would render any particulars included in the Financial Statements as at 31 December 2008 to be misleading or inaccurate.

END OF AUDITED FINANCIAL STATEMENTS

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