



Fair Work
Commission

30 November 2023

Richard Evans
President
Australian Entertainment Industry Association

Sent via email: info@liveperformance.com.au

CC: Elizabeth.blunt@bdo.com.au

Dear Richard Evans

**Australian Entertainment Industry Association
Financial Report for the year ended 30 June 2023 – FR2023/132**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Australian Entertainment Industry Association (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 29 November 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that next year's financial report may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely

KEN MORGAN
Assistant Director, Financial Analysis
Registered Organisations Services Branch

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

ABN 43 095 907 857

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Registered Office

**Level 1, 15-17 Queen Street
MELBOURNE VIC 3000**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

DESIGNATED OFFICERS CERTIFICATE

s. 268 Fair work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

FOR THE YEAR ENDED 30 JUNE 2023

I, Richard Evans, being the President of the Australian Entertainment Industry Association certify:

- that the documents lodged herewith are copies of the full report for the Australian Entertainment Industry Association for the Year ended 30 June 2023 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 01 November 2023; and
- that the full report was presented to a general meeting of members of Australian Entertainment Industry Association on 23 November 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Richard Evans
President

23 November 2023

INDEPENDENT AUDITORS REPORT

To the members of Australian Entertainment Industry Association

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Entertainment Industry Association (the reporting unit), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement and the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report of Australian Entertainment Industry Association, presents fairly, in all material respects the reporting unit's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with:

- a. the Australian Accounting Standards; and
- b. any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The committee of management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The committee of management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management are responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.

We communicate with the Divisional Branch Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

I, Elizabeth Blunt, declare that I am an auditor registered under the RO Act.

BDO Audit Pty Ltd



Elizabeth Blunt

Director

Melbourne

18 October 2023

Registration number (as registered under the RO Act): AA2021/34

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**CATEGORIES OF EXPENDITURE
REPORT REQUIRED UNDER SUBSECTION 255(2A)**

FOR THE YEAR ENDED 30 JUNE 2023

The Executive Council presents the expenditure report as required under subsection 255(2A) on Australian Entertainment Industry Association for the year ended 30 June 2023.

Categories of expenditures	2023 \$	2022 \$
Remuneration and other employment-related costs and expenses - employees	1,273,825	993,595
Advertising	-	-
Operating costs	251,092	144,064
Donations to political parties	2,472	-
Legal costs	156,200	26,445

Signed in accordance with a resolution of the Councillors.



Richard Evans
President



John Kotzas
Vice President

18 October 2023

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2023

Your Councillors submit the financial report of the Australian Entertainment Industry Association for the year ended 30 June 2023.

REVIEW OF PRINCIPAL ACTIVITIES, THE RESULTS OF THOSE ACTIVITIES AND ANY SIGNIFICANT CHANGES IN THE NATURE OF THOSE ACTIVITIES DURING THE YEAR

The principal activities of the Association during the financial year were:

- ◆ The provision of benefits, advice and support to Members in the areas of industrial relations, workplace relations, human resource services, policy, regulatory and a broad range of other industry related issues.
- ◆ In 2022-23 AEIA undertook 15 major initiatives. These include: negotiation on a new Performers Collective Agreement (PCA); finalised Education and Accessibility Recording Agreement; advocacy and submissions to government regarding fixed term contracts; provided resources and advice to members regarding IR reforms, changes to workplace laws and award amendments; provision of immigration services; negotiation on OneMusic licences; consultation and submission to Federal Government's National Cultural Policy; advocacy at Federal and state level regarding skills and training gaps, following impact of Covid; development of Safe Workplaces program; industry advocacy for NSW state election; 11 significant government submissions, including Federal Pre-Budget submission; provided advice to governments on venue infrastructure, skills and training gaps and cultural policies; provided updated advice on refunds and exchanges; responded to ticketing complaints; commenced biennial and triennial compliance reviews of Ticketing Code; and commenced work on the 2022 Ticket Attendance and Revenue Report.
- ◆ These major initiatives have resulted in:
 - ◆ Membership base remains strong, diverse and national
 - ◆ Federal government's launch of National Cultural Policy, Revive, and establishment of Music Australia and Creative Workplaces
 - ◆ NSW government new investment in live music industry and establishment of Sounds NSW
 - ◆ New digital agreement
 - ◆ Government recognition that skills and training are a major industry priority
 - ◆ Other state and territory funding support announcements for live performance
 - ◆ Received 1863 visa approvals on behalf of members
 - ◆ Raised profile of live performance industry and the association nationally.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

SIGNIFICANT CHANGES IN FINANCIAL AFFAIRS

There are no other significant changes in the nature of the Association's principal activities during the financial year.

OPERATING RESULTS

The net result for the year amounted to a profit of \$182,319 (2022: profit \$126,722).
There have been no significant changes in the financial affairs of the association.

RIGHT OF MEMBERS TO RESIGN

Under section 174 of the *Fair Work (Registered Organisations) Act 2009* members have the right to resign from Australian Entertainment Industry Association by providing written notice.

Under Australian Entertainment Industry Association's Rules – Rule 11 Resignation of members:

- (a) A Member may resign from membership of the Association by written notice addressed and delivered to the Chief Executive.
- (b) A notice of resignation from membership takes effect:
 - (i) where a Member ceases to be eligible to be a Member of the Association – on the date the notice is received by the Association or the day specified in the notice (being a date after the date on which the Member ceased to be eligible to be a Member of the Association); or
 - (ii) in all other cases – on the date specified in the notice or if no date is specified, 2 weeks after the notice is received by the Association.
- (c) Any amount owed by a former Member to the Association in relation to the period before the Member's resignation takes effect will remain due and payable by the former Member. The amount owing may be sued for and recovered in the name of the Association in a court of competent jurisdiction as a debt due to the Association.
- (d) A notice delivered to the Chief Executive in accordance with Rule 11(a) is taken to have been received by the Association when it was delivered to the offices of the Association.
- (e) A notice of resignation that the Association receives at its registered office will be valid, even if it is not addressed and delivered to the Chief Executive.
- (f) A resignation from membership of the Association is valid even if it is not made in accordance with this Rule if the Member is informed in writing by or on behalf of the Association that the resignation has been accepted.
- (g) If a Member resigns with outstanding amounts due to the Association and subsequently seeks to re-join the Association without having paid the amounts due, the Person must pay the Association the outstanding amounts due in full before that Person will be eligible to become a Member of the Association again.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

NUMBER OF MEMBERS

As at 30 June 2023, the Association had 396 members (2022: 378 members).

NUMBER OF EMPLOYEES

Number of Employees 8 (2022: 6).

COMMITTEE OF MANAGEMENT - EXECUTIVE COUNCILLORS

The names of the Councillors during the year and up to the date of this report are:

F Allan *	J Vince *
T Brookman *	F Winning *
M Coppel *	L Withers *
R Evans *	A Sinclair *
J Kotzas *	A Threlfall *
V Lovett *	L Twomey *
K Mainland *	
A Murphy-Oates *	L Christie (term ended 23/12/2022)
M O'Connor *	S Donnelly (term ended 31/12/2022)
M Smith *	

*All held office for the full Financial Year

INDEMNIFYING OFFICERS, EXECUTIVES OR AUDITORS

The Association has obtained insurance in respect of councillors, officers and executives against all liabilities to other persons that may arise from their positions as councillors, officers or executives. A premium of \$14,930 (2022: \$13,598) has been paid for this insurance.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

The Association has not during or since the end of the financial year, in respect of an auditor of the Association:

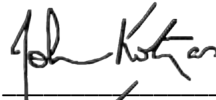
- ♦ Indemnified or made any relevant agreement for indemnifying a liability, including costs and expenses in successfully defending legal proceedings; or
- ♦ Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

No other officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Signed in accordance with a resolution of the Councillors.



Richard Evans
President



John Kotzas
Vice President

18 October 2023

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

EXECUTIVE COUNCIL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

On 18 October 2023 the Executive Councillors of Australian Entertainment Industry Association (AEIA) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2023.

The Executive Council declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of AEIA for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the Executive Council were held in accordance with the rules of the Association; and
 - ii. the financial affairs of AEIA have been managed in accordance with the rules of the Association; and
 - iii. the financial records of AEIA have been kept and maintained in accordance with the RO Act; and
 - iv. where information has been sought in any request by a member of AEIA or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - v. where any order for inspection of financial records has been made by the Fair Work Commission under Section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Executive Councillors and is signed for and on behalf of the Councillors by:



Richard Evans
President



John Kotzas
Vice President

18 October 2023

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
Revenue from contracts with customers	3		
Membership subscriptions *		520,423	467,490
Levies *	3A	50,891	176,337
Interest		11,441	287
Other revenue	3B	1,755,776	949,930
Total revenue from contracts with customers		<u>2,338,531</u>	<u>1,594,044</u>
Other Income			
Grants and/or donations *	3C	-	45,000
Other income	3D	95,732	-
Total other income		<u>95,732</u>	<u>45,000</u>
Total income		<u><u>2,434,263</u></u>	<u><u>1,639,044</u></u>
 Expenses			
Employee expenses	4A	1,311,361	1,009,044
Administration expenses	4B	572,073	282,047
Depreciation and amortisation	4C	149,732	145,471
Legal costs	4D	156,200	26,445
Audit fees	15	24,027	19,000
Grants and/or donations *	4E	2,472	-
Finance costs	4F	31,715	30,315
Net losses from disposal of assets	4G	4,364	-
Other expenses *	4H	-	-
Total expenses		<u>2,251,944</u>	<u>1,512,322</u>
Surplus for the year		<u>182,319</u>	<u>126,722</u>
Income tax expense		-	-
Surplus after Income Tax Expense		<u>182,319</u>	<u>126,722</u>
Other Comprehensive Income, net of tax		-	-
Total Comprehensive Income for the Year		<u><u>182,319</u></u>	<u><u>126,722</u></u>

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

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Notes	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	5A	1,665,821	1,570,407
Trade and other receivables *	5B	102,229	73,859
Other current assets	5C	35,162	21,858
TOTAL CURRENT ASSETS		1,803,212	1,666,124
NON-CURRENT ASSETS			
Property, plant and equipment	6A	70,628	9,451
Intangibles	6B	19,548	27,921
Right of use assets	6C	247,308	370,455
Other non-current assets	6D	57,400	57,400
TOTAL NON-CURRENT ASSETS		394,884	465,227
TOTAL ASSETS		2,198,096	2,131,351
CURRENT LIABILITIES			
Trade payables *	7A	325,541	179,800
Other payables *	7B	60,248	90,094
Deferred Revenue	7C	378,001	403,824
Employee provisions	8A	191,456	214,010
Lease liabilities	6C	130,096	123,732
Borrowings	10A	35,756	42,416
TOTAL CURRENT LIABILITIES		1,121,098	1,053,876
NON-CURRENT LIABILITIES			
Other payables *	7B	-	-
Employee provisions	8A	7,142	25,032
Other non-current liabilities *	9A	-	-
Lease liabilities	6C	143,549	273,645
Borrowings	10A	181,203	216,013
TOTAL NON-CURRENT LIABILITIES		331,894	514,690
TOTAL LIABILITIES		1,452,992	1,568,566
NET ASSETS		745,104	562,785
MEMBERS' EQUITY			
General funds	11A	120,000	120,000
Retained earnings		625,104	442,785
TOTAL MEMBERS' EQUITY		745,104	562,785

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

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	General Funds \$	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2021	120,000	316,063	436,063
Surplus for the year	-	126,722	126,722
Other comprehensive income for the year	-	-	-
Closing balance as at 30 June 2022	120,000	442,785	562,785
Balance as at 1 July 2022	120,000	442,785	562,785
Surplus for the year	-	182,319	182,319
Other comprehensive income for the year	-	-	-
Closing balance as at 30 June 2023	120,000	625,104	745,104

11A

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

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
Operating Activities			
Cash received			
Receipts from other reporting units/ controlled entity(s) *		-	-
Receipts from members and non-members		2,630,126	1,789,620
Donations and Grants		-	45,000
Interest received		10,964	282
Cash Used			
Payment to other reporting units/controlled entity(s) *		-	-
Payments to suppliers and employees		(2,248,431)	(1,437,113)
Interest payments and other finance costs	6C	(16,574)	(21,886)
Net Cash from (used by) Operating Activities	12A	376,085	375,903
Investing Activities			
Cash Used			
Purchase of Property, Plant and Equipment	6A	(83,753)	(3,934)
Purchase of Website	6B	-	(13,600)
Net Cash from (used by) Investing Activities		(83,753)	(17,534)
Financing Activities			
Cash Used			
Proceeds from borrowing activities		-	250,000
Repayment of Lease Liabilities	6C	(140,306)	(119,035)
Repayment of Borrowings		(56,612)	-
Net Cash from (used by) Financing Activities		(196,918)	130,965
Net Increase in Cash Held		95,414	489,335
Cash & cash equivalents the beginning of the financial year		1,570,407	1,081,072
Cash & cash equivalents at the end of the Financial Year	5A	1,665,821	1,570,407

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

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

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AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of the Financial Statements

The Australian Entertainment Industry Association (AEIA) is an incorporated association, incorporated and domiciled in Australia. AEIA's principal activities are the provision of benefits and support to its members in the areas of industrial relations, human resource services and a broad range of other issues.

The registered office and principal place of business is Level 1, 15-17 Queen Street, Melbourne, Victoria. The financial statements are presented in Australian dollars, rounded to the nearest \$1.

The financial report was authorised for issue by the Executive Council of AEIA on the date shown on the Executive Council Statement attached to the Financial Statements.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, *Associations Incorporation Reform Act 2012* and the *Fair Work (Registered Organisations) Act 2009*.

The financial report has been prepared on a going concern and an accrual 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 the fair values of the consideration given in exchange for assets.

AEIA is considered to be a Not for Profit entity and has prepared the financial statements in accordance with the requirements regarding Not for Profit entities as contained in Australian Accounting Standards.

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

1.2 Comparative Figures

Comparatives have been reclassified where necessary so as to be consistent with the figures presented in the current financial year.

1.3 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

1.4 New Australian Accounting Standards

AEIA has adopted all of the new or amended Accounting Standards and Interpretation issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not mandatory have not yet been adopted early.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

1.5 Current versus non-current classification

AEIA presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchange or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

An asset is non-current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

AEIA classifies all other liabilities as non-current.

1.6 Revenue

AEIA enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, grants, sponsorships and service fees.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of AEIA.

If there is only one distinct membership service promised in the arrangement, AEIA recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect AEIA promise to stand ready to provide assistance and support to the member as required.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

If there is more than one distinct good or service promised in the membership subscription, AEIA allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that AEIA charges for that good or service in a standalone sale.

When a performance obligation is satisfied, which is either when the customer obtains control of the good or as the service transfers to the customer (for example, member services or training course), AEIA recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, AEIA has elected to apply the practical expedient to not adjust the transaction price for the effects of a financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from AEIA at their standalone selling price, AEIA accounts for those sales as a separate contract with a customer.

Memberships are generally for a period of twelve months from July to June financial year. The membership fees are invoiced a month prior to 1 July each year and Membership Fee income is recognised in equal monthly instalments over the twelve month period ending June in the year to which it relates.

Levies

In circumstances where the criteria for a contract with a customer are not met, AEIA will recognise levies as income upon receipt.

AEIA received cash consideration from the following arrangement whereby that consideration is recognised as income upon receipt:

- Voluntary Member Rebuild Levy

Industry Service Fee revenue is paid by Members and Non-Members dependant on the shows/ events held during the financial year.

A surcharge fee is charged for each show held. It is either collected through the venues and passed to LPA or paid directly by the Members to LPA.

Income is recognised as invoices are raised on a monthly basis for ISF surcharges applied to prior shows held.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

1.7 Grants

Grant revenue is recognised in profit or loss when the association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

1.8 Gains and Losses from Disposal of Assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.9 Employee Benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. These are recorded as current Liabilities.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date. These are recorded as non-current Liabilities.

1.10 Leases

AEIA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

AEIA as a lessee

AEIA applies a single recognition and measurement approach for all leases, except for short-term and low-value leases. These are expensed in the profit & loss. AEIA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

AEIA recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Lease liabilities

At the commencement date of the lease, AEIA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, AEIA uses a weighted average incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.11 Borrowing Costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.12 Cash

Cash is recognised at its nominal value. Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term liquid investments.

1.13 Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement with 30 days.

The entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

1.14 Trade and Other Payables

Accounts payable represent the principal amounts outstanding at reporting date plus, when applicable, any accrued interest.

1.15 Property, plant and Equipment

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Councillors to ensure it is not in excess of the recoverable amount from the assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

1.16 Depreciation and Amortisation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their useful life using, in all cases, the straight-line method of depreciation.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
- Office Equipment	1 to 5 years	1 to 5 years
- Furniture and Fittings	4 to 10 years	4 to 10 years

1.17 Intangibles

Trademarks

Trademarks are stated at cost and are not amortised as the Councillors believe they have an indeterminate life and are not expected to diminish in value over time. The carrying amounts of the trademarks are reviewed at the end of each accounting period to ensure they are not valued in excess of their recoverable amounts.

Websites

AEIA Members' website is initially measured at cost. Following initial recognition it is carried at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of AEIA's intangible assets are:

	2023	2022
- Website	3 years	3 years

1.18 Impairment of Non-Financial Assets

At each reporting date AEIA reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. The Councillors are satisfied that the carrying amounts of assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

1.19 Taxation

AEIA is exempt from income tax under Section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.20 Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

- AEIA has a strong cash position of \$1,665,821 as at 30 June 2023 and receipted \$366,960 of their 2023-24 Financial Membership fees to date;
- Headcount and operational expenditure have been scaled back;
- The budgets and forecasts prepared by AEIA for a period of 12 months from the date of signing the financial report anticipate that the business will generate sufficient cash flows to fund its operations.

Note 2 EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of the affairs of the Association in future financial reports.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Note 3 INCOME

Disaggregation of revenue from contracts with customers

A disaggregation of AEIA's revenue by type of arrangement is provided on the Statement of Comprehensive Income. The table below sets out disaggregation of revenue by type of customer:

	2023	2022
	\$	\$
Type of customer		
Members	2,327,090	1,593,757
Other parties	11,441	287
Total revenue from contracts with customers	<u>2,338,531</u>	<u>1,594,044</u>

Disaggregation of income for furthering activities

A disaggregation of AEIA's income by type of arrangement is provided on the Statement of Comprehensive Income. The table below sets out disaggregation of income by funding source:

Other Income		
Members	82,323	-
Government	-	45,000
Other parties	13,409	-
Total income for furthering activities	<u>95,732</u>	<u>45,000</u>

3A. Levies

Voluntary Member Rebuild Levy	50,891	176,337
Total Levies	<u>50,891</u>	<u>176,337</u>

3B. Other Revenue

Industry Service Fee	1,724,478	920,122
Other	31,298	29,808
Total Other Revenue	<u>1,755,776</u>	<u>949,930</u>

3C. Grants and/or donations

Victorian Government – Small Business Grant	-	20,000
Australia Council for the Arts – Project Funding	-	25,000
Total Grants and/or donations	<u>-</u>	<u>45,000</u>

3D. Other Income

Members	82,322	
Insurance Recoveries	7,441	-
Other	5,969	-
Total Other Income	<u>95,732</u>	<u>-</u>

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Note 4 EXPENSES

	2023	2022
	\$	\$
4A. Employee Expenses *		
 Holders of office:		
Wages and Salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	-	-
 Employees other than office holders:		
Wages and Salaries	1,189,908	863,632
Superannuation	115,074	82,557
Leave and other entitlements	(40,444)	30,371
Separation and redundancies	-	-
Other employee expenses	46,823	32,484
Subtotal employee expenses employees other than office holders	1,311,361	1,009,044
Total Employee Expenses	1,311,361	1,009,044
4B. Administration Expenses		
Fees/allowances - meeting and conferences*	-	-
Conferences and meeting Expenses	6,825	3,524
Meeting Expenses - Executive Council	8,581	1,198
Meeting Expenses - Annual General Meeting	2,436	-
Other Expenses	554,231	277,325
Total Administration Expenses	572,073	282,047

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

	2023	2022
	\$	\$
4C. Depreciation and Amortisation		
Depreciation		
Office equipment	11,788	8,222
Furniture & Fittings	6,424	1,080
Right of use assets	123,147	123,865
Total Depreciation	<u>141,359</u>	<u>133,167</u>
Amortisation		
Intangibles	8,373	12,304
Total Amortisation	<u>8,373</u>	<u>12,304</u>
Total Depreciation and Amortisation	<u>149,732</u>	<u>145,471</u>
4D. Legal Costs *		
Litigation	-	-
Other legal general matters	156,200	26,445
Total Legal Costs	<u>156,200</u>	<u>26,445</u>
4E. Grants or Donations*		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000 (paid to Australian Record Industry Association)	2,472	-
Total Grants or Donations	<u>2,472</u>	<u>-</u>
4F. Finance Expenses		
Interest on bank loan	15,141	8,429
Interest expense on lease liabilities	16,574	21,886
Total Finance Expenses	<u>31,715</u>	<u>30,315</u>
4G. Net losses from disposal of assets		
Office Equipment	2,478	-
Furniture and Fittings	1,886	-
Total Finance Expenses	<u>4,364</u>	<u>-</u>
4H. Other Expenses		
Penalties – via RO Act or the <i>Fair Work Act 2009</i> *	-	-
Total Other Expenses	<u>-</u>	<u>-</u>

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Note 5 CURRENT ASSETS

5A. Cash and Cash Equivalents	2023	2022
	\$	\$
Cash at Bank	1,665,441	1,570,027
Cash on Hand	380	380
Short-term Deposit	-	-
Total Cash and Cash Equivalents	<u>1,665,821</u>	<u>1,570,407</u>
5B. Trade and Other Receivables (Current)		
Receivables from other reporting unit*	-	-
Total Receivables from Other Reporting Unit(s) *	<u>-</u>	<u>-</u>
Less allowance for expected credit losses*	-	-
Total allowance for expected credit losses	<u>-</u>	<u>-</u>
Net Receivables from Other Reporting Unit(s) *	<u>-</u>	<u>-</u>
Other Receivables		
Trade Debtors	107,229	78,859
Allowance for expected credit losses	(5,000)	(5,000)
Net Total Other Receivables	<u>102,229</u>	<u>73,859</u>
Total Trade and Other Receivables	<u>102,229</u>	<u>73,859</u>
The movement in the allowance for expected credit losses of trade and other receivables is as follows:		
At 1 July	5,000	5,000
Provision not required	-	-
Amounts Written off	-	-
Amounts Recovered	-	-
At 30 June	<u>5,000</u>	<u>5,000</u>
5C. Other Current Assets		
Helpmann Awards prepaid expenses	-	-
Other prepaid expenses	35,162	21,858
Total Other Current Assets	<u>35,162</u>	<u>21,858</u>

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Note 6 NON-CURRENT ASSETS

	2023	2022
6A. Property, plant and Equipment	\$	\$
Office Equipment - At Cost	105,368	98,158
Less: Accumulated Depreciation	<u>(34,740)</u>	<u>(87,627)</u>
Total Office Equipment	<u><u>70,628</u></u>	<u><u>10,531</u></u>

Reconciliation of the Opening and Closing Balances of Property, plant and equipment

	<u>Office Equipment</u>	<u>Furniture and Fittings</u>	<u>Total</u>
	\$	\$	\$
As at 1 July 2022	8,215	1,236	9,451
Additions	38,414	45,339	83,753
Depreciation expense	(11,788)	(6,424)	(18,212)
Disposals	<u>(2,478)</u>	<u>(1,886)</u>	<u>(4,364)</u>
As at 30 June 2023	<u><u>32,363</u></u>	<u><u>38,265</u></u>	<u><u>70,628</u></u>
Net book value as of 30 June 2023 represented by:			
Gross book value	45,305	60,063	105,368
Accumulated amortisation	<u>(12,942)</u>	<u>(21,798)</u>	<u>(34,740)</u>
Net book value 30 June 2023	<u><u>32,363</u></u>	<u><u>38,265</u></u>	<u><u>70,628</u></u>

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

6B. Intangibles	2023	2022
	\$	\$
Trademarks – At Cost	4,630	4,630
Website		
Website – At Cost	141,738	141,738
Less: Accumulated Amortisation - Website	(126,820)	(118,447)
Total Website	14,918	23,291
Total Intangibles	19,548	27,921

Reconciliation of the Opening and Closing Balances of Intangibles

	Trademarks	Website	Total
	\$	\$	\$
As at 1 July 2022	4,630	23,291	27,921
Additions	-	-	-
Amortisation expense	-	(8,373)	(8,373)
Disposals	-	-	-
As at 30 June 2023	4,630	14,918	19,548
Net book value as of 30 June 2023 represented by:			
Gross book value	4,630	141,738	146,368
Accumulated amortisation	-	(126,820)	(126,820)
Net book value 30 June 2023	4,630	14,918	19,548

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

6C. Leases

Australian Entertainment Industry Association as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<u>Office Space</u> \$	<u>Office Equipment</u> \$	<u>Total</u> \$
Right of use assets			
As at 1 July 2022	360,300	10,155	370,455
Additions	-	-	-
Depreciation expense	(120,100)	(3,047)	(123,147)
Impairment	-	-	-
Disposal	-	-	-
As at 30 June 2023	<u>240,200</u>	<u>7,108</u>	<u>247,308</u>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023 \$	2022 \$
Lease Liabilities		
As at 1 July 2022	397,377	482,340
Additions	-	12,186
Accretion of interest	16,574	21,886
Payments	(140,306)	(119,035)
As at 30 June 2023	<u>273,645</u>	<u>397,377</u>
Current	130,096	123,732
Non-current	143,549	273,645
Total Lease Liabilities	<u>273,645</u>	<u>397,377</u>

The maturity analysis of lease liabilities is disclosed in Note 15C.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

6C. Leases (Continued)

The following are the amounts recognised in profit or loss:

	2023	2022
	\$	\$
Depreciation expense of right-of-use assets	123,146	123,865
Interest expense on lease liabilities	16,574	21,886
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	139,720	145,751

6D. Other Non-Current Assets

Rental Guarantee Term Deposit	57,400	57,400
Total Other Current Assets	57,400	57,400

Note 7 CURRENT LIABILITIES

7A. Trade Payables

Non-Interest Bearing

Trade creditors	106,603	86,040
Accruals	218,938	93,760
Subtotal Trade Creditors and Accruals	325,541	179,800

Payables to Other Reporting Unit(s) *

Subtotal Payables to Other Reporting Unit(s)

Total Trade Payables

Settlement is usually made within 30 days.

-	-
-	-
325,541	179,800

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

7B. Other Payables	2023	2022
	\$	\$
Wages and Salaries	-	-
Superannuation	-	-
Payable to employers for making payroll deductions of membership subscriptions *	-	-
Legal costs - Litigation*	-	-
Legal costs – Other legal costs *	-	-
GST payable	60,791	90,523
Other	(543)	(429)
Total Other Payables	<u>60,248</u>	<u>90,094</u>
Total other payables are expected to be settled in:		
No more than 12 months	60,248	90,094
More than 12 months	-	-
Total Other Payables	<u>60,248</u>	<u>90,094</u>
7C. Deferred Revenue		
Prepayments received/ unearned revenue	<u>378,001</u>	<u>403,824</u>
Total Deferred Revenue	<u>378,001</u>	<u>403,824</u>
Note 8 PROVISIONS		
8A. Employee Provisions*		
Office holders *		
Annual Leave	-	-
Long Service Leave	-	-
Separation and Redundancies	-	-
Superannuation	-	-
Other Employee Provisions	-	-
Subtotal Employee Provisions – Office holders *	<u>-</u>	<u>-</u>
Employees other than Office holders		
Annual Leave	62,977	73,908
Long Service Leave	135,621	165,134
Separation and Redundancies	-	-
Superannuation	-	-
Other Employee Provisions	-	-
Subtotal Employee Provisions – Employees other than Office holders	<u>198,598</u>	<u>239,042</u>
Total Employee Provisions	<u>198,598</u>	<u>239,042</u>
Current	191,456	214,010
Non-current	7,142	25,032
Total Employee Provisions	<u>198,598</u>	<u>239,042</u>

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Note 9 NON-CURRENT LIABILITIES

	2023	2022
	\$	\$
9A. Other Non-Current Liabilities *		
Other Non-Current Liabilities	-	-
Total Other Non-Current Liabilities	<u>-</u>	<u>-</u>

Note 10 BORROWINGS

	2023	2022
	\$	\$
10A. Bank Loan		
Bank Loan	<u>216,959</u>	<u>258,429</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

Bank Loan	<u>250,000</u>	<u>250,000</u>
	<u>250,000</u>	<u>250,000</u>

Assets pledged as security

No assets are pledged as security on the bank loan.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

Total Facilities

Bank Loan	<u>250,000</u>	<u>250,000</u>
Total Facilities	<u>250,000</u>	<u>250,000</u>

Used at the reporting date

Bank Loan	<u>216,959</u>	<u>250,000</u>
Total used at reporting date	<u>216,959</u>	<u>250,000</u>

Unused at the reporting date

Bank Loan	<u>33,041</u>	<u>-</u>
Total unused at reporting date	<u>33,041</u>	<u>-</u>

The bank loan is a principal and interest payment loan, repayable in monthly instalments and due to mature in September 2031.

The variable interest rate is 7.95% (2022: 4.70%).

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Note 11 MEMBERS EQUITY

	2023	2022
	\$	\$
11A. General Funds		
Legal Expense Reserve		
Balance at start of year	120,000	120,000
Transferred to reserve	-	-
Transferred from Reserve	-	-
Balance as at end of year	120,000	120,000

The legal expense reserve is to ensure there is money set aside in reserves to cover any legal and regulatory issues that may arise in the industry.

Note 12 STATEMENT OF CASH FLOWS

12A. Cash Flow Reconciliation

Reconciliation of Cash and Cash Equivalents as per Statement of Financial Position to Cash Flow Statement:

Cash and Cash Equivalents as per:		
Statement of Cash Flows	1,665,821	1,570,407
Statement of Financial Position	1,665,821	1,570,407
Difference	-	-

Reconciliation of deficit to net cash from operating activities:

Surplus/ (Deficit) for the year	182,319	126,722
Adjustments for non-cash items		
Depreciation of Property, Plant & Equipment	18,212	9,302
Amortisation of Intangibles	8,373	12,304
Depreciation of Right of Use Assets	123,146	123,865
Interest on Lease Liabilities	16,574	21,886
Interest on Borrowings	15,141	8,429
Loss on Disposal of Assets	4,364	-
Changes in Assets and Liabilities		
(Increase)/ Decrease in trade and other receivables	(28,370)	87,879
(Increase) in other assets	(13,304)	(28,176)
Increase/ (Decrease) in trade and other payables	90,188	(15,895)
(Decrease)/ Increase in employee provisions	(40,558)	29,587
Net Cash Provided/ (used in) by Operating Activities	376,085	375,903

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Note 13 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

AEIA holds a bank guarantee for the security deposit of \$57,400 as part of the lease agreement of the office premises at 15-17 Queen Street, Melbourne.

Note 14 RELATED PARTY DISCLOSURES

14A. Related Party Transactions - Executive Councillors

Related Party Transactions

The following related party transactions occurred during the financial year:

Revenue received from:

All Executive Councillors' Organisations pay a membership subscription fee at the standard commercial rates set for the membership.

Expense paid to:

	2023	2022
	\$	\$
A Sinclair – Head of Programming - Commercial, Adelaide Festival Centre Trust	905	-
- for Venue Hire/ Catering.		

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2023, the Australian Entertainment Industry Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2022: \$Nil).

No members of the Executive Council/ Office holders received any remuneration (wages, salary, or superannuation) for services as Executive Councillors.

No annual leave or long service leave provisions have been made or paid for any Executive Councillor/ Office holders.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

14B. Key Management Personnel Remuneration

	2023	2022
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	281,255	266,052
Annual leave accrued	24,945	26,184
Performance Bonus	-	-
Total Short-term employee benefits	<u>306,200</u>	<u>292,236</u>
Post-employment benefits		
Superannuation	26,422	23,536
Total post-employment benefits	<u>26,422</u>	<u>23,536</u>
Other long-term benefits		
Long service leave	94,634	80,461
Total Other long-term benefits	<u>94,634</u>	<u>80,461</u>
Total Key Management Personnel Remuneration	<u>427,256</u>	<u>396,233</u>

Note 15 REMUNERATION OF AUDITORS

Financial statement audit services	24,027	19,000
Other services	-	-
Total Remuneration of Auditors	<u>24,027</u>	<u>19,000</u>

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Note 16 FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's principal financial instruments comprise receivables, payables, cash, and short-term deposits. These activities expose the Association to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

Although the Association does not have documented policies and procedures, the Councillors manage the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate risk and by being aware of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

16A. Categories of Financial Instruments

The Association holds the following financial instruments:

	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	1,665,821	1,570,407
Trade and other receivables	102,229	73,859
Total Financial Assets	<u>1,768,050</u>	<u>1,644,266</u>
Financial Liabilities		
Trade and other payables	763,791	673,718
Lease Liabilities	273,645	397,377
Bank Loan	216,959	258,429
Total Financial Liabilities	<u>1,254,395</u>	<u>1,329,524</u>
Net exposure	<u><u>513,655</u></u>	<u><u>314,742</u></u>

16B. Risk Exposure and Responses

Market risk

The Association's exposure to market interest rates relates primarily to the entity's short term deposits held. The effect of volatility of interest rates within expected reasonable possible movements would not be material.

Price risk

The Association's exposure to commodity and equity securities price risk is minimal.

Liquidity Risk

The Association manages liquidity risk by monitoring cash flow and maturity profiles of financial assets and liabilities.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Association trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the entity's policy to securitise its trade and other receivables.

It is the Association's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

In addition, receivable balances are monitored on an ongoing basis with the result that the Association's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

16C. Maturities of Financial Assets and Liabilities

The table below analyses the Association's financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Year ended 30 June 2023	< 6 months	6 – 12 months	1 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial assets					
Bank	1,665,821	-	-	-	1,665,821
Trade and other receivables	102,229	-	-	-	102,229
Total Financial assets	1,768,050	-	-	-	1,768,050
Financial liabilities					
Trade and other payables	564,769	187,980	-	-	752,749
Deferred revenue	5,521	5,521	-	-	11,042
Lease Liabilities	65,048	65,048	143,549	-	273,645
Bank Loan	17,762	17,994	80,535	100,668	216,959
Total Financial liabilities	653,100	276,543	224,084	100,668	1,254,395
Net maturity	1,114,950	(276,543)	(224,084)	(100,668)	513,655

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2023

Note 17 FAIR VALUE MEASUREMENT

Note 17A: Financial Assets and Liabilities

Management of AEIA assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Note 18 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of sub-sections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) This application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

OFFICER DECLARATION STATEMENT

I, Richard Evans, being the President of Australian Entertainment Industry Association, declare that the following activities did not occur during the reporting period ending 30 June 2023.

Australian Entertainment Industry Association did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Richard Evans
President
18 October 2023