



**Australian Government**  
**Australian Industrial Registry**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Mr Andrew Kay  
President  
Australian Entertainment Industry Association  
Level 1, 15 - 17 Queen Street  
MELBOURNE VIC 3004

Dear Mr Kay,

**Re: Schedule 1B of the Workplace Relations Act 1996 (Schedule 1B)  
Financial reports for year ended 30 June 2004 - FR2004/275**

Thank you for the financial reports of the Australian Entertainment Industry Association for year ended 30 June 2004. The documents were lodged in the Industrial Registry on 20 December 2004.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the reports. I make these comments to assist you when you next prepare financial reports and you do not need to take any further action in respect of the financial reports already lodged.

**Committee of Management statement**

***Resolution of the Committee of Management***

While the lodged Committee of Management Statement provides that the statement was made in accordance with a resolution of the Committee of Management, I note the date of passage of the resolution is not evident (item 18(b) of the Registrar's Reporting Guidelines). Could you please ensure the date is included in the next financial report.

**Operating report**

***Right of members to resign:***

Subsection 254(2)(c) of Schedule 1B requires the operating report to "give details" of the right of members to resign from the reporting unit under s174 of Schedule 1B. I note that Mr Schwab provided this office with a letter and attachment outlining the organisation's processes in relation to this requirement, however, the above subsection requires these details must also be in the operating report. The requirement may simply be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule (Rule 9) which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report.

***Trustees of superannuation entities:***

If applicable, the report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

***Number of employees, if any***

Subsection 254(2)(f) of Schedule 1B and regulation 159(a) and (b) of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* require the Operating Report to contain information pertaining to the number of persons that were taken to be employees of the reporting unit at the end of the financial year. The Operating Report should also contain the number of employees, if any.

Please do not hesitate to contact me by return email: [robert.pfeiffer@air.gov.au](mailto:robert.pfeiffer@air.gov.au), or on (03) 8661 7817 if you wish to discuss this letter.

Yours sincerely,



Robert Pfeiffer  
Statutory Services Branch

2 May 2005



FR 2004/275

rec'd 20/12/04

14 December 2004

Mr Nicholas Wilson  
Industrial Registrar  
Australian Industrial Registry  
Level 36  
Nauru House  
80 Collins St  
MELBOURNE VIC 3000

Dear Mr Wilson,

### General Purpose Financial Report and Operating Report

Please find attached a copy of the Annual Report of the Australian Entertainment Industry Association (AEIA). The Annual Report contains the information required to be included in the general purpose financial report and the operating report under sections 253 and 254 of Schedule 1B of the *Workplace Relations Act 1996*.

The details of the right of members to resign from the AEIA are not included in the Annual Report, but the procedure for resigning appears in clause 9 of the Rules of the Association. A copy of this Rule is provided to all prospective members, and the complete Rules are provided to all new members upon joining. The Rules also appear on the AEIA website, and are available to any member on request. For the purpose of providing a complete operating report in accordance with section 254(2)(c) of Schedule 1B, please find attached a copy of the Rules excerpt provided to prospective members.

Yours sincerely,

Brendan Schwab  
Chief Executive

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

8th Floor, West Tower, 608 St Kilda Road, Melbourne VIC 3004  
Telephone 61 (3) 9521 1900 Facsimile 61 (3) 9521 2285 E-mail [aeia@aeia.org.au](mailto:aeia@aeia.org.au)  
Web [www.aeia.org.au](http://www.aeia.org.au) or [www.oncueonline.com.au](http://www.oncueonline.com.au)  
Registered since 1917 ABN 43 095 907 857

**RULES OF THE AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION (AEIA)**

**SECTION 4, 8, 9, and 10(a).**

Eligibility requirements for AEIA membership (per AEIA rules Section 4): **4 – MEMBERSHIP**

**Membership of the Association shall be limited to any person\* approved by the Executive Council who:**

- (e) is the proprietor of a theatre or any other place designed for or capable of being used for any public entertainment or assembly;
  - (f) carries on a business as an entrepreneur and/or producer and/or venue of entertainments open to the general public, whether live entertainments or entertainments and events recorded on film by any other means and whether such entertainments take place or are intended to take place in theatre halls, restaurants, music bowls, arenas, stadiums, entertainment centres, convention and exhibition centres, cinemas. Casinos or other places or by means of television or radio transmission;
  - (g) carries on business providing goods and services for a member or members of the Association such as, but not limited to, costumes and millinery, scenery, stage properties, lighting, sound, publicity material, programmes, tickets and ticket sales and other materials and/or services required by such member or members; or
  - (h) carries on a business in any form of entertainment including, but not limited to arts, leisure, amusements or sporting activities.
- \* (person shall include corporations, partnerships, sole traders and individuals)

**8 – SUBSCRIPTION**

Every member shall pay to the Association such subscription, levies and contributions as shall be fixed by the Executive Council from time to time.

**9 – RETIREMENT AND EXPULSION 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 shall take effect:
  - (i) where a member ceases to be eligible to become a member of the Association:
    - (1) on the day on which the notice is received by the Association; or
    - (2) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
 whichever is later; or
  - (ii) in any other case:
    - (1) at the end of two weeks after the notice is received by the association; or
    - (2) on the day specified in the notice;
 whichever is later.
- (c) Any dues payable but not paid by a former member in relation to a period before such resignation takes effect, may be sued for and recovered in the name of the Association, in court of competent jurisdiction, as a debt due to the Association.
- (d) A notice delivered to the Chief Executive in accordance with subsection (a) of this Rule shall be taken to have been received by the Association when it was delivered.
- (e) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with subsection (a) of this rule.
- (f) A resignation from membership of the Association is valid even if it is not effected 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.

**10 – REMOVAL OF THE MEMBER BY THE EXECUTIVE COUNCIL**

- (a) The Executive Council may order the name of any member to be removed from the Register of members if, in their opinion, that member:
  - (i) becomes **bankrupt or insolvent or suspends payment** or compounds with his or her creditors or a receiving order is made in respect of his or her estate or if the member being a company shall enter into liquidation whether compulsory or voluntary (except for amalgamation or restructuring);
  - (ii) is **found to be a lunatic or become of unsound mind**;
  - (iii) **ceases to be qualified for membership** under Rules 4 and 5 hereof;
  - (iv) **acts contrary to or in disregard of these Rules** of any resolution duly passed at a meeting of the Association; or
  - (v) **fails to pay within 30 days any subscription levy or contribution due or owing by him or her.**



13 December 2004

Industrial Registrar  
Australian Industrial Relations Commission  
Level 35  
Nauru House  
80 Collins Street  
MELBOURNE VIC 3000

Dear Sir/Madam,

**Annual Return - Secretary's Certificate**

I, Andrew Kay, President of the Australian Entertainment Industry Association, certify that the documents so lodged are copies of the auditors' report, accounts and statement which were presented at the Annual General Meeting on 3 December 2004. This information was sent to members on 11 November 2004.

Yours faithfully,



Andrew Kay  
President

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

8th Floor, West Tower, 608 St Kilda Road, Melbourne VIC 3004

Telephone 61 (3) 9521 1900 Facsimile 61 (3) 9521 2285 E-mail [aeia@aeia.org.au](mailto:aeia@aeia.org.au)

Web [www.aeia.org.au](http://www.aeia.org.au) or [www.oncueonline.com.au](http://www.oncueonline.com.au)

Registered since 1917 ABN 43 095 907 857

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

### COUNCILLORS' REPORT

#### FOR THE YEAR ENDED 30 JUNE 2004

Your councillors submit the financial report of the Australian Entertainment Industry Association for the financial year ended 30 June 2004.

#### COUNCILLORS

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

S. Natrass (Resigned 5 Dec 03)	P. Stirling Benson (Appointed 5 Dec 03)
A. Collette	R. C. McGovern (Appointed 5 Dec 03)
M. Coppel	M. Hawkins (Appointed 5 Dec 03)
K. McWhinnie	J. Nicholls
I. Fraser (Resigned 24 Jul 03)	K. Brennan
R. Cunningham	G. Hodges (Resigned 5 Dec 03)
D. Watt (Appointed 5 Dec 03)	R. Rigby
E. Robinson	R. Evans
A. Tonks	B. Hayes (Appointed 5 Dec 03)
A. Kay	S. Hunt (Appointed 5 Dec 03)
T. McFarlane (Resigned 5 Dec 03)	C. McMaster (Appointed 5 Dec 03)

#### PRINCIPAL ACTIVITIES

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

- ★ The provision of benefits and support to members in the areas of industrial relations, human resource services and a broad range of other issues.

There are no 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 \$99,231 (2003: \$50,294 loss).

#### AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

#### FUTURE DEVELOPMENTS

The Association expects to maintain the present status and level of operations and hence there are no likely developments in the Association's operations.

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

### COUNCILLORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2004

#### 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 \$14,053 (2003: \$12,640) has been paid for this insurance.

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

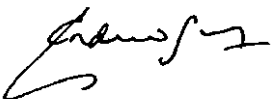
- ★ Indemnified or made any relevant agreement for indemnifying a liability, including costs and expenses in successfully defending legal proceedings; or
- ★ Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

#### MEMBERSHIP

As at 30 June 2004 the Association had 253 members (2003: 253 members).

Under section 174 of Schedule 1B to the Workplace Relations Act 1996 members have the right to resign from Australian Entertainment Industry Association by providing written notice to the Association given in accordance with the Rules of the Association.

Signed in accordance with a resolution of the Councillors.



Andrew Kay  
President



Richard Evans  
Executive Councillor

22 October 2004  
Melbourne

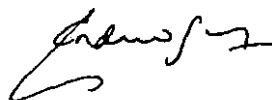
# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION EXECUTIVE COUNCIL STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

In the opinion of the Councillors, the financial report as set out on pages 5 to 17:

1. Presents a true and fair view of the financial position of the Australian Entertainment Industry Association as at 30 June 2004 and its performance for the year ended on that date in accordance with reporting guidelines of the Industrial Registrar, Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board;
2. During and since the end of the financial year ended 30 June 2004, the;
  - a) meetings of the committee of management were held in accordance with the rules of the Association;
  - b) financial affairs have been managed in accordance with the rules of the Association and financial records have been kept and maintained in accordance with the Workplace Relations Act 1996; and
  - c) information sought in any request of a member of the Australian Entertainment Industry Association or a Registrar has been provided to the member or Registrar in accordance with the Workplace Relations Act 1996, and any order for inspection of financial records made by the Commission under Section 273 of the Act has been complied with; and
3. At the date of this statement, there are reasonable grounds to believe that the Australian Entertainment Industry Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the councillors and is signed for and on behalf of the councillors by:



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Andrew Kay  
President



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Richard Evans  
Executive Councillor

Signed at Melbourne this 22nd day of October 2004.



# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 \$	2003 \$
<b>Revenue from Ordinary Activities</b>			
AEIA		993,365	1,007,820
Helpmann Awards		9,602	109,954
	4	<u>1,002,967</u>	<u>1,117,774</u>
<b>Expenses from Ordinary Activities</b>			
AEIA – Administration Expenses	5	(875,118)	(1,012,390)
Helpmann Awards		(26,761)	(150,485)
Borrowing Costs		(1,857)	(5,193)
		<u>(903,736)</u>	<u>(1,168,068)</u>
<b>Profit/(Loss) from Ordinary Activities before Income Tax Expense</b>		<u>99,231</u>	<u>(50,294)</u>
Income tax expense relating to ordinary activities	1c	-	-
<b>Profit/(Loss) from Ordinary Activities after Income Tax Expense</b>		<u>99,231</u>	<u>(50,294)</u>

The profit from ordinary activities represents total changes in equity.

The above Statement of Financial Performance is to be read in conjunction with the notes to and forming part of the financial statements.

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	NOTES	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash Assets	6	510,858	473,825
Receivables	7	127,675	161,060
Investments	8	10	10
Other	9	17,737	3,665
<b>TOTAL CURRENT ASSETS</b>		<u>656,280</u>	<u>638,560</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	10	48,891	87,974
<b>TOTAL NON-CURRENT ASSETS</b>		<u>48,891</u>	<u>87,974</u>
<b>TOTAL ASSETS</b>		<u>705,171</u>	<u>726,534</u>
<b>CURRENT LIABILITIES</b>			
Payables	11	369,264	372,457
Provisions	12	27,446	91,211
Interest Bearing Liabilities	13	-	7,166
<b>TOTAL CURRENT LIABILITIES</b>		<u>396,710</u>	<u>470,834</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	14	26,984	46,849
Interest Bearing Liabilities	15	-	26,605
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>26,984</u>	<u>73,454</u>
<b>TOTAL LIABILITIES</b>		<u>423,694</u>	<u>544,288</u>
<b>NET ASSETS</b>		<u>281,477</u>	<u>182,246</u>
<b>MEMBERS' EQUITY</b>			
Retained Profits	16	281,477	182,246
<b>TOTAL MEMBERS' EQUITY</b>		<u>281,477</u>	<u>182,246</u>

The above Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements.

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Notes	2004 Inflows (Outflows) \$	2003 Inflows (Outflows) \$
<b>Cash Flows from Operating Activities</b>			
Receipts from members and non members		1,028,560	1,015,069
Payments to suppliers and employees		(973,807)	(1,002,580)
Interest received		12,638	17,616
Interest and other costs of finance		(1,857)	(5,193)
<b>Net Cash Provided By Operating Activities</b>	<b>19(b)</b>	<b>65,534</b>	<b>24,912</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds on disposal of Property, Plant and Equipment		25,609	14,084
Purchase of Property, Plant and Equipment		(20,338)	(44,761)
<b>Net Cash used in Investing Activities</b>		<b>5,271</b>	<b>(30,677)</b>
<b>Cash Flows from Financing Activities</b>			
Hire purchase liability repaid		(33,772)	(33,745)
<b>Net Cash used in Financing Activities</b>		<b>(33,772)</b>	<b>(33,745)</b>
<b>Net increase/(decrease) in cash held</b>		<b>37,033</b>	<b>(39,510)</b>
Cash at the beginning of the financial year		473,825	513,335
<b>Cash at the End of the Financial Year</b>	<b>19(a)</b>	<b>510,858</b>	<b>473,825</b>

The above Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements.

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

### I. STATEMENT OF ACCOUNTING POLICIES

#### (a) Basis of Preparation

The financial report is a general purpose financial report which has been drawn up in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

The accounting policies adopted are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

#### (b) Depreciation and Amortisation

Items of property plant and equipment are depreciated/amortised using the reducing balance method and the straight line method over their useful lives.

The depreciation rates used for each class of asset are as follows:

- Office Equipment	8 - 30%
- Furniture and Fittings	9 - 40%
- Motor Vehicles	15%

#### (c) Income Tax

No provision for income tax has been made in the Financial Statements, as income earned by the Association is considered to be exempt from income tax in accordance with Section 50-15 of the Income Tax Assessment Act, 1997.

#### (d) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property, and operating leases under which the lessor effectively retains all such risks and benefits.

Where fixed assets are acquired by means of finance leases, the present value of minimum lease payments, including any guaranteed residual value, are established as assets at the beginning of the lease term and are amortised on a straight line basis over their expected economic life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense. Operating lease payments are charged to expense on a basis which is representative of the pattern of benefits derived from the leased property.

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

### I. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

#### (d) Leases (Cont'd)

Payments under a non-cancellable operating lease for surplus leased space are recognised as a liability and expense when it is probable that a loss will be incurred. The amount recognised is the total expected outlay, net of sub-lease revenue, discounted at the interest rate implicit in the lease.

#### (e) Employee Benefits

##### Wages, Salaries and Annual Leave

The provisions for employee benefits to wages, salaries and annual leave represents the amount which the Association has a present obligation to pay resulting from employees' services provided up to the balance date. The wages and salaries provisions have been calculated at undiscounted amounts based on current wage and salary rates and include related on-costs. The annual leave provision has been calculated at undiscounted amounts based on wage and salary rates expected at settlement and include related on-costs.

##### Long Service Leave

The liability for employees' benefits to long service leave represents the present value of the estimated future cash outflows to be made by the Association resulting from employees' services provided up to the balance date.

Liabilities for employee benefits which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee benefits, consideration has been given to future increases in wage and salary rates, and the Association's experience with staff departures. Related on-costs have also been included in the liability.

#### (f) Provision for Doubtful Debts

The collectability of debts is assessed at year-end and provision is made if required for any specific doubtful debts.

#### (g) Receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts outstanding at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

#### (h) Payables

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

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

### I. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(i) **Number of Employees**

As at 30 June 2004 there were 5 (2003: 5) equivalent full time employees.

(j) **Revenue recognition**

Memberships are generally for a period of twelve months. The membership fees are invoiced on the anniversary of membership and income is recognised in equal monthly instalments over the term of the membership.

### 2. EVENTS SUBSEQUENT TO BALANCE DATE

No matter of 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.

### 3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of Schedule 1B of Section 253 of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272, which read as follows: -

- (1) a member of the Association, or a Registrar, may apply to the Association for specified prescribed information in relation to the Association to be made available;
- (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 Association; and
- (3) the Association must comply with an application made under this subsection.

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>4. REVENUE FROM ORDINARY ACTIVITIES</b>		
<b>Operating Revenue</b>		
Members Subscription	353,923	349,163
Non-Members Subscription	50,505	56,409
Loose Leaf Industrial Award Update Subscription	19,803	19,509
Helpmann Awards	9,602	109,954
Entertainment Industry Service Fee	520,049	560,308
	<u>953,882</u>	<u>1,095,343</u>
<b>Non-Operating Revenue</b>		
Interest	12,638	17,616
Proceeds on sale of plant and equipment	25,609	-
Other	10,838	4,815
	<u>49,085</u>	<u>22,431</u>
Total Revenue from Ordinary Activities	<u>1,002,967</u>	<u>1,117,774</u>

## 5. EXPENSES FROM ORDINARY ACTIVITIES

Expenses from Ordinary Activities include the following items:

Bad debt expense	-	2,004
Operating lease payments	55,607	45,245
Depreciation	23,521	29,977
Loss on disposal of non-current assets	10,291	7,321
	<u>10,291</u>	<u>7,321</u>

## 6. CASH

Cash at Bank	316,971	276,987
Cash at Bank – Commonwealth Funding	63,661	70,503
Cash at Bank – Workcover NSW	726	-
Cash on Hand	100	100
Short-term Deposit	129,400	126,235
	<u>510,858</u>	<u>473,825</u>

- (a) Monies held in the Commonwealth Funding account were received pursuant to a funding deed between the Association and the Commonwealth of Australia as represented by the Department of Communications, Information Technology and the Arts.

The funds are held on trust for the Commonwealth and are to be expended only for the purpose of the project and in accordance with the terms and conditions set out in the Funding Deed. Refer also Note 11.

- (b) Monies held in the Workcover NSW Project account were received pursuant to a funding agreement between the Association and Workcover NSW.

These funds are held on trust for Workcover NSW and are to be expended only for the purpose of the project and in accordance with the terms and conditions set out in the funding Agreement. Refer also Note 11.

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>7. RECEIVABLES (CURRENT)</b>		
Trade debtors	111,522	136,929
Accrued revenue	31,171	42,164
	<u>142,693</u>	<u>179,093</u>
Provision for Doubtful Debts	(15,018)	(18,033)
	<u>127,675</u>	<u>161,060</u>
<b>8. INVESTMENTS (CURRENT)</b>		
Investment in Endeavour Credit Union	<u>10</u>	<u>10</u>
<b>9. OTHER (CURRENT)</b>		
Prepayments	<u>17,737</u>	<u>3,665</u>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Office Equipment - At Cost	223,876	205,056
Less: Accumulated Depreciation	(176,766)	(153,926)
	<u>47,110</u>	<u>51,130</u>
Furniture and Fittings - At Cost	63,530	62,012
Less: Accumulated Depreciation	(61,749)	(61,068)
	<u>1,781</u>	<u>944</u>
Motor Vehicles - At Cost	-	50,386
Less: Accumulated Depreciation	-	(14,486)
	<u>-</u>	<u>35,900</u>
Total Property, Plant & Equipment	287,406	317,454
Total Accumulated Depreciation	(238,515)	(229,480)
	<u>48,891</u>	<u>87,974</u>



# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

### 10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

#### Movement in Property, Plant and Equipment

	Opening Written Down Value	Additions	Depreciation and Amortisation	Disposals	Closing Written Down Value
	\$	\$	\$	\$	\$
Office Equipment	51,130	18,820	(22,840)	-	47,110
Furniture and Fittings	944	1,518	(681)	-	1,781
Motor Vehicle	35,900	-	-	(35,900)	-
	<u>87,974</u>	<u>20,338</u>	<u>(23,521)</u>	<u>(35,900)</u>	<u>48,891</u>

	2004 \$	2003 \$
<b>11. PAYABLES</b>		
Trade Creditors	45,003	59,548
Accruals	15,956	24,769
Subscriptions in Advance	238,363	215,709
Unexpected Commonwealth Funding	6(a) 69,298	72,431
Unexpected Workcover NSW Funding	6(b) 643	-
	<u>369,264</u>	<u>372,457</u>
<b>12. PROVISIONS (CURRENT)</b>		
Annual Leave	<u>27,446</u>	<u>91,211</u>
<b>13. INTEREST BEARING LIABILITIES (CURRENT)</b>		
Hire Purchase Liabilities	<u>-</u>	<u>7,166</u>
<b>14. PROVISIONS (NON-CURRENT)</b>		
Long Service Leave	<u>26,984</u>	<u>46,849</u>
<b>15. INTEREST BEARING LIABILITIES (NON-CURRENT)</b>		
Hire Purchase Liabilities	<u>-</u>	<u>26,605</u>

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>16. RETAINED PROFITS</b>		
Retained Profits at beginning of year	182,246	232,540
Profit/(Loss) for the year	99,231	(50,294)
Retained Profits at end of year	<u>281,477</u>	<u>182,246</u>
<b>17. EXPENDITURE COMMITMENTS</b>		
(a) Non-Cancellable Operating Leases Payable:		
Payable no later than one year	5,908	39,650
Payable later than one year but not later than five years	-	6,608
	<u>5,908</u>	<u>46,258</u>
(b) Hire Purchase Liabilities:		
Payable not later than one year	-	10,348
Payable later than one year but not later than five years	-	30,052
	-	40,400
Future finance charges	-	(6,629)
Net liability	<u>-</u>	<u>33,771</u>
Current liability	-	7,166
Non-Current liability	<u>-</u>	<u>26,605</u>
	<u>-</u>	<u>33,771</u>

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003

### 18. FINANCIAL INSTRUMENTS

#### INTEREST RATE RISK EXPOSURE

The Association's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

2004	Non Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate Maturing 1-5 Years \$	Total \$
<b>Financial Assets</b>				
Cash	100	381,358	129,400	510,858
Receivables	127,675	-	-	127,675
	<u>127,775</u>	<u>381,358</u>	<u>129,400</u>	<u>638,533</u>
Weighted Average interest rate		4.0%	5.65%	
<b>Financial Liabilities</b>				
Payables	369,264	-	-	369,264
	<u>369,264</u>	<u>-</u>	<u>-</u>	<u>369,264</u>
<b>Net Financial Assets/(Liabilities)</b>	<u>(241,489)</u>	<u>381,358</u>	<u>129,400</u>	<u>269,269</u>
<b>2003</b>				
	Non Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate Maturing 1-5 Years \$	Total \$
<b>Financial Assets</b>				
Cash	100	347,490	126,235	473,825
Receivables	161,060	-	-	161,060
	<u>161,160</u>	<u>347,490</u>	<u>126,235</u>	<u>634,885</u>
Weighted Average interest rate		1.68%	5%	
<b>Financial Liabilities</b>				
Payables	372,457	-	-	372,457
Interest Bearing Liabilities	-	-	33,771	33,771
	<u>372,457</u>	<u>-</u>	<u>33,771</u>	<u>406,228</u>
Weighted Average interest rate			7.4%	
<b>Net Financial Assets/(Liabilities)</b>	<u>(211,297)</u>	<u>347,490</u>	<u>92,464</u>	<u>228,657</u>

The carrying amounts of financial assets and liabilities approximate net fair values. The maximum credit risk exposure of financial assets is represented by the carrying amount of assets recognised in the Statement of Financial Position, net of any provisions for losses.

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>19. NOTES TO STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank and on hand	381,458	347,590
Short Term Deposit	129,400	126,235
	<u>510,858</u>	<u>473,825</u>
<b>(b) Reconciliation of net cash provided by operating activities to profit after income tax</b>		
Profit/(Loss) after Income Tax	99,231	(50,294)
Depreciation of Property, Plant & Equipment	23,521	29,977
Loss on Disposal of Property, Plant & Equipment	10,291	7,321
Doubtful Debt	-	(3,064)
<b>Changes in Assets and Liabilities</b>		
Decrease/(Increase) in receivables	33,385	85,089
(Increase)/Decrease in other assets	(14,071)	(2,503)
(Decrease)/Increase in payables	(3,193)	(75,480)
Increase/(Decrease) in current provisions	(63,765)	24,581
Increase/(Decrease) in non current provisions	(19,865)	9,285
Net Cash provided by Operating Activities	<u>65,534</u>	<u>24,912</u>
<b>20. AUDITOR'S REMUNERATION</b>		
Audit Fees	<u>6,250</u>	<u>6,000</u>
<b>21. FINANCIAL REPORTING BY SEGMENTS</b>		
The Association principally operates in the entertainment business. The principal activity of the Association is to promote, protect and further the interests of employers in the entertainment industry who are Members.		
The Association operates throughout all states and territories of Australia.		

# Financial Statements

## AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

### 22. EXECUTIVE COUNCIL

Members of the Executive Council in office at any time during the financial year were:

S. Natrass (Resigned 5 Dec 03)	P. Stirling Benson (Appointed 5 Dec 03)
A. Collette	R. C. McGovern (Appointed 5 Dec 03)
M. Coppel	M. Hawkins (Appointed 5 Dec 03)
K. McWhinnie	J. Nicholls
I. Fraser (Resigned 24 Jul 03)	K. Brennan
R. Cunningham	G. Hodges (Resigned 5 Dec 03)
D. Watt (Appointed 5 Dec 03)	R. Rigby
E. Robinson	R. Evans
A. Tonks	B. Hayes (Appointed 5 Dec 03)
A. Kay	S. Hunt (Appointed 5 Dec 03)
T. McFarlane (Resigned 5 Dec 03)	C. McMaster (Appointed 5 Dec 03)

No members of the Executive Council received any remuneration.

#### Related Party Transactions

The following related party transactions occurred during the financial year:

R. Rigby – Director, Newtheatricals Pty Ltd. This company received \$10,000 for services contracted as the Executive Producer of the 2004 Helpmann Awards.

K. Brennan – Chief Executive Officer, Adelaide Festival Centre Trust. This entity received \$9,500 for consulting services for the Workcover NSW OH&S project.

R. Cunningham – Entertainment General Manager, Star City Casino. This entity received \$3,535 for the supply of accommodation and associated services.

S. Hunt – Director, Performing Arts, Sydney Opera House. This entity received \$724 for venue hire services.

The above transactions were on normal commercial terms and conditions.

### 23. INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australian Equivalents to International Financial Reporting Standards (AIFRS) will be adopted in the financial report for the year ended 30 June 2006 and the comparative information presented in that report for the year ending 30 June 2005. In preparation for the transition, opening balances as at 1 July 2004 for the comparative year ending 30 June 2005 will be converted to AIFRS in accordance with new accounting standard AASB "First Time Adoption of Australian International Financial Reporting Pronouncements".

The transition to AIFRS is being managed by the Executive Council.

There are no significant differences in accounting policies expected to arise from adoption of AIFRS for the Association.

# Financial Statements

A Member Firm of PKF International



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& Business Advisers

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## INDEPENDENT AUDIT REPORT TO MEMBERS OF THE AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

### Scope

#### *The Financial Report and Councillors Responsibility.*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and Committee of Management Statement, for the Australian Entertainment Industry Association for the year ended 30 June 2004.

The Councillors are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit Approach*

We conducted an independent audit in order to express an opinion to the members of the Australian Entertainment Industry Association. Our audit was conducted in accordance with Australian Auditing and Assurance Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the requirements of the Workplace Relations Act 1996, Part 3 – Accounts and Audit, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Australian

PKF

PKF  
Chartered Accountants

3 November 2004  
Melbourne

A Victorian Partnership

Entertainment Industry Association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- (a) examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- (b) assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### Audit Opinion

In our opinion, the financial report of the Australian Entertainment Industry Association is in accordance with:

- (a) the Workplace Relations Act 1996, including:
  - (i) giving a true and fair view of Australian Entertainment Industry Association's financial position at 30 June 2004, and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the requirements of the Workplace Relations Act 1996, Part 3 – Accounts and Audit; and
- (b) other mandatory financial reporting requirements in Australia.

*M L Port*

M L Port  
Partner