



**Australian Government**

**Australian Industrial Registry**

Level 36, 80 Collins Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9655 0401  
Email: melbourne@air.gov.au

Mr Andrew Kay  
President  
Australian Entertainment Industry Association  
Level 1, 15-17 Queen Street  
MELBOURNE VIC 3000

Dear Andrew,

**Financial Report for Year Ended 30th June 2005 – FR2005/245  
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Australian Entertainment Industry Association for the year ended 30<sup>th</sup> June 2005. The documents were lodged in the Industrial Registry on 12<sup>th</sup> December 2005. Please excuse the delay in responding to you. Our attention in recent months has been diverted to the new Workchoices legislation.

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.

**Operating Report – Number of Employees**

The Notes to the financial report state on page 11 that as at 30<sup>th</sup> June 2005 there were 6 equivalent full-time employees.

While you are correct in providing such information, it is a requirement that it be provided as part of the Operating Report that is prepared by the Committee of Management, and not as part of the Notes to the financial report (see Regulation 159(b) of the RAO Regulations, which is made pursuant to section 254(2)(f) of the RAO Schedule).

**Operating Report - Superannuation Trustees**

The Notes to the financial report state on page 17 that 'B. Hughes Schwab sits on the Board of Just Super Pty Ltd as trustee for Just Super'.

While you are correct in providing information regarding any officer or member of the reporting unit who is a trustee of a superannuation entity or a director of a company that is a trustee of a superannuation entity, section 254(2)(d) of the RAO Schedule requires that such information be disclosed in the Operating Report rather than the Notes.

**Committee of Management Statement – Resolution**

The Committee of Management Statement (referred to in your accounts as the Executive Council Statement) states that it has been 'made in accordance with a resolution of the councillors...' but it does not specify the date upon which that resolution was passed. The Committee of Management Statement must confirm that it has been made in accordance with a resolution of the Committee *and* provide the date of that resolution – see Items 16 to 18 (and in particular Item 18(b)) of the Reporting Guidelines which were issued by the Industrial Registrar under section 253(2)(c) of the RAO Schedule.

## General Purpose Financial Report – Disclosure of Expenses

When preparing a General Purpose Financial Report (GPFR), section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Reporting Guidelines that have been issued by the Industrial Registrar. In particular, Guideline 11 sets out in detail those items of expenditure that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- employment benefits paid to office holders (11(g));
- employment benefits paid to employees (other than office holders) (11(h));

Each of these items must be *separately* disclosed. It is therefore insufficient to group employment benefits paid to holders of office and to employees under the one item (as has occurred at paragraphs 12 and 13 of the Notes to the Financial Statement). In the event that employee benefits only relate to one category of persons (whether *holders of office* or *employees*) the accounts should clearly indicate which category applies.

Item 11 of the Reporting Guidelines also requires disclosure of a wide range of other expenses, such as:

- affiliation fees or subscriptions to political parties or industrial bodies (11(d));
- grants or donations made by the reporting unit (11(f));
- legal costs (11(j));
- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));
- penalties imposed on the reporting unit by the *Workplace Relations Act* (11(l));
- capitation fees or membership subscriptions (11(b)); and
- levies that have been imposed upon the reporting unit (11(e)).

A full copy of the Registrar's Reporting Guidelines can be found on our website at [www.airc.gov.au](http://www.airc.gov.au) is attached. Would you please ensure that these items are separately itemised in the future where applicable.

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

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/031N>.

Yours sincerely,



Robert Pfeiffer  
Statutory Services Branch

27 June 2006



FR2005/245

5 December 2005

Rec'd  
12/12/05  
S

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

**Annual Return - Secretary's Certificate**

Dear Sir/Madam,

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 2 December 2005. This information was sent to members on 10 November 2005.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Andrew Kay', is written over a horizontal line.

Andrew Kay  
President

**AUSTRALIAN ENTERTAINMENT  
INDUSTRY ASSOCIATION**

ABN 43 095 907 857

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2005

**AUSTRALIAN ENTERTAINMENT  
INDUSTRY ASSOCIATION**

Registered Office

Level 1  
15-17 Queen Street  
MELBOURNE VIC 3000

**FINANCIAL REPORT  
YEAR ENDED 30 JUNE 2005**

INDEX

	Pages
Councillors' Report	2-4
Executive Council Statement	5
Statement of Financial Performance	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to and Forming Part of the Financial Statements	9-18
Independent Audit Report	19

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION**

**COUNCILLORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2005**

Your councillors submit the financial report of the Australian Entertainment Industry Association for the financial year ended 30 June 2005.

**COUNCILLORS**

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

A. Collette	P. Stirling Benson
M. Coppel	C. McGovern
K. McWhinnie	M. Hawkins
R. Cunningham	J. Nicholls
D. Watt	K. Brennan
E. Robinson	R. Rigby (resigned 28 September 2005)
A. Tonks	R. Evans
A. Kay	B. Hayes
C. McMaster	S. Hunt

**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 \$78,093 (2004: \$99,231).

**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 organisation's operations.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION**

**COUNCILLORS' REPORT (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2005**

**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 \$15,533 (2004: 14,053) 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 2005 the Association had 260 members (2004: 253 members).

Under section 174 of the *Workplace Relations Act 1996* members have the right to resign from Australian Entertainment Industry Association by providing written notice.

Under AEIA's Rules – Rule 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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION**

**COUNCILLORS' REPORT (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2005**


**MEMBERSHIP (CONT.)**

- 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 a 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.

Signed in accordance with a resolution of the Councillors.



Andrew Kay  
President



Kate Brennan  
Vice President

25 October 2005  
Melbourne



**AUSTRALIAN ENTERTAINMENT  
INDUSTRY ASSOCIATION  
EXECUTIVE COUNCIL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2005**

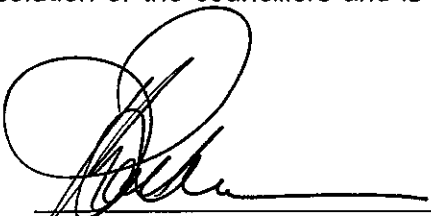
In the opinion of the Councillors, the financial report as set out on pages 6 to 18:

1. Presents a true and fair view of the financial position of the Australian Entertainment Industry Association as at 30 June 2005 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 2005, the;
  - a) meetings of the executive council 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:



Andrew Kay  
President



Kate Brennan  
Vice President

Signed at Melbourne this 25th day of October 2005.

# Financial Statements

A Member Firm of PKF International

- 19 -

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

# PKF

Chartered Accountants  
& Business Advisers

Level 11, CGU Tower  
485 La Trobe Street  
Melbourne 3000  
GPO Box 5099BB  
Melbourne 3001

Tel: (03) 9603 1700  
Fax: (03) 9602 3870

[www.pkf.com.au](http://www.pkf.com.au)

### 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 Executive Council Statement, for the Australian Entertainment Industry Association for the year ended 30 June 2005.

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 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 2005, 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.

PKF  
Chartered Accountants

25 October 2005  
Melbourne  
A Victorian Partnership

M L Port  
Partner

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2005**

	<b>Notes</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue from Ordinary Activities</b>			
AEIA		1,185,307	993,365
Helpmann Awards		168,996	9,602
	4	<u>1,354,303</u>	<u>1,002,967</u>
<b>Expenses from Ordinary Activities</b>			
AEIA – Administration Expenses	5	(1,072,471)	(875,118)
Helpmann Awards		(203,739)	(26,761)
Borrowing Costs		-	(1,857)
		<u>(1,276,210)</u>	<u>(903,736)</u>
<b>Profit/(Loss) from Ordinary Activities before Income Tax Expense</b>			
		<u>78,093</u>	<u>99,231</u>
Income tax expense relating to ordinary activities	1(c)	<u>-</u>	<u>-</u>
<b>Profit/(Loss) from Ordinary Activities after Income Tax Expense</b>			
		<u>78,093</u>	<u>99,231</u>

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2005**

	NOTES	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash Assets	6	759,879	510,858
Receivables	7	256,480	127,675
Investments	8	10	10
Other	9	28,148	17,737
<b>TOTAL CURRENT ASSETS</b>		<u>1,044,517</u>	<u>656,280</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	10	57,402	48,891
<b>TOTAL NON-CURRENT ASSETS</b>		<u>57,402</u>	<u>48,891</u>
<b>TOTAL ASSETS</b>		<u>1,101,919</u>	<u>705,171</u>
<b>CURRENT LIABILITIES</b>			
Payables	11	673,420	369,264
Provisions	12	32,971	27,446
<b>TOTAL CURRENT LIABILITIES</b>		<u>706,391</u>	<u>396,710</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	35,958	26,984
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>35,958</u>	<u>26,984</u>
<b>TOTAL LIABILITIES</b>		<u>742,349</u>	<u>423,694</u>
<b>NET ASSETS</b>		<u>359,570</u>	<u>281,477</u>
<b>MEMBERS' EQUITY</b>			
Retained Profits	14	359,570	281,477
<b>TOTAL MEMBERS' EQUITY</b>		<u>359,570</u>	<u>281,477</u>

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

	Notes	2005 Inflows (Outflows) \$	2004 Inflows (Outflows) \$
<b>Cash Flows from Operating Activities</b>			
Receipts from members and non members		1,371,976	1,028,560
Payments to suppliers and employees		(1,124,758)	(973,807)
Interest received		30,488	12,638
Interest and other costs of finance		-	(1,857)
<b>Net Cash Provided By Operating Activities</b>	<b>17(b)</b>	<b>277,706</b>	<b>65,534</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds on disposal of Property, Plant and Equipment		-	25,609
Purchase of Property, Plant and Equipment		(28,685)	(20,338)
<b>Net Cash used in Investing Activities</b>		<b>(28,685)</b>	<b>5,271</b>
<b>Cash Flows from Financing Activities</b>			
Hire purchase liability repaid		-	(33,772)
<b>Net Cash used in Financing Activities</b>		<b>-</b>	<b>(33,772)</b>
<b>Net increase/(decrease) in cash held</b>		<b>249,021</b>	<b>37,033</b>
Cash at the beginning of the financial year		510,858	473,825
<b>Cash at the End of the Financial Year</b>	<b>17(a)</b>	<b>759,879</b>	<b>510,858</b>

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

**1. 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 going concern and 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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

**1. 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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

**1. STATEMENT OF ACCOUNTING POLICIES (Cont'd)**

**(i) Number of Employees**

As at 30 June 2005 there were 6 (2004: 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.



**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

	2005 \$	2004 \$
<b>4. REVENUE FROM ORDINARY ACTIVITIES</b>		
<b>Operating Revenue</b>		
Members Subscription	363,954	353,923
Non-Members Subscription	49,768	50,505
Loose Leaf Industrial Award Update Subscription	21,637	19,803
Helpmann Awards	168,996	9,602
Entertainment Industry Service Fee	554,300	520,049
	<u>1,158,655</u>	<u>953,882</u>
<b>Non-Operating Revenue</b>		
Interest	30,488	12,638
Proceeds on sale of plant and equipment	-	25,609
Donations	36,449	-
Grant – Dept. of Communications, Information technology and the Arts	80,000	-
Grant – Workcover NSW	25,000	-
Other	23,711	10,838
	<u>195,648</u>	<u>49,085</u>
Total Revenue from Ordinary Activities	<u>1,354,303</u>	<u>1,002,967</u>
<b>5. EXPENSES FROM ORDINARY ACTIVITIES</b>		
Expenses from Ordinary Activities include the following items:		
Operating lease payments	50,528	55,607
Depreciation	20,174	23,521
Loss on disposal of non-current assets	-	10,291
	<u>-</u>	<u>10,291</u>
<b>6. CASH</b>		
Cash at Bank	558,882	316,971
Cash at Bank – Commonwealth Funding	60,775	63,661
Cash at Bank – Workcover NSW	3,291	726
Cash on Hand	200	100
Short-term Deposit	136,731	129,400
	<u>759,879</u>	<u>510,858</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

	2005 \$	2004 \$
<b>7. RECEIVABLES (CURRENT)</b>		
Trade debtors	223,013	111,522
Accrued revenue	47,833	31,171
	<u>270,846</u>	<u>142,693</u>
Provision for Doubtful Debts	(14,366)	(15,018)
	<u>256,480</u>	<u>127,675</u>
<b>8. INVESTMENTS (CURRENT)</b>		
Investment in Endeavour Credit Union	<u>10</u>	<u>10</u>
<b>9. OTHER (CURRENT)</b>		
Prepayments	<u>28,148</u>	<u>17,737</u>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Office Equipment - At Cost	170,322	223,876
Less: Accumulated Depreciation	(128,678)	(176,766)
	<u>41,644</u>	<u>47,110</u>
Furniture and Fittings - At Cost	16,982	63,530
Less: Accumulated Depreciation	(1,224)	(61,749)
	<u>15,758</u>	<u>1,781</u>
Total Property, Plant & Equipment	187,304	287,406
Total Accumulated Depreciation	(129,902)	(238,515)
	<u>57,402</u>	<u>48,891</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

**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	47,110	13,786	(19,252)	-	41,644
Furniture and Fittings	1,781	14,899	(922)	-	15,758
	<u>48,891</u>	<u>28,685</u>	<u>(20,174)</u>	<u>-</u>	<u>57,402</u>

	2005 \$	2004 \$
<b>11. PAYABLES</b>		
Trade Creditors	160,085	45,003
Accruals	18,208	15,956
Subscriptions in Advance	335,961	238,363
Income in Advance –Confederation of Australian Arts Centres Theatre and Music Foundation	159,166	-
Unexpended Commonwealth Funding	-	69,298
Unexpended Workcover NSW Funding	-	643
	<u>673,420</u>	<u>369,264</u>
<b>12. PROVISIONS (CURRENT)</b>		
Annual Leave	<u>32,971</u>	<u>27,446</u>
<b>13. PROVISIONS (NON-CURRENT)</b>		
Long Service Leave	<u>35,958</u>	<u>26,984</u>
<b>14. RETAINED PROFITS</b>		
Retained Profits at beginning of year	281,477	182,246
Profit/(Loss) for the year	78,093	99,231
Retained Profits at end of year	<u>359,570</u>	<u>281,477</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

	2005 \$	2004 \$
<b>15. EXPENDITURE COMMITMENTS</b>		
Non-Cancellable Operating Leases Payable:		
Payable no later than one year	54,278	5,908
Payable later than one year but not later than five years	84,409	-
	<u>138,687</u>	<u>5,908</u>

**16. 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:

2005	Non Interest Bearing \$	Floating interest Rate \$	Fixed Interest Rate Maturing <1 Years \$	Total \$
<b>Financial Assets</b>				
Cash	200	622,948	136,731	759,879
Receivables	256,480	-	-	256,480
	<u>256,680</u>	<u>622,948</u>	<u>136,731</u>	<u>1,016,359</u>
Weighted Average interest rate		4.0%	6.0%	
<b>Financial Liabilities</b>				
Payables	673,420	-	-	673,420
	<u>673,420</u>	<u>-</u>	<u>-</u>	<u>673,420</u>
<b>Net Financial Assets/ (Liabilities)</b>	<u>(416,740)</u>	<u>622,948</u>	<u>136,731</u>	<u>342,939</u>
<b>2004</b>	<b>Non Interest Bearing \$</b>	<b>Floating Interest Rate \$</b>	<b>Fixed Interest Rate Maturing 1-5 Years \$</b>	<b>Total \$</b>
<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>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

**16. FINANCIAL INSTRUMENTS (Cont'd)**

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.

	2005	2004
	\$	\$

**17. NOTES TO STATEMENT OF CASH FLOWS**

**(a) Reconciliation of cash**

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	623,148	381,458
Short Term Deposit	136,731	129,400
	<u>759,879</u>	<u>510,858</u>

**(b) Reconciliation of net cash provided by operating activities to profit after income tax**

Profit after Income Tax	78,093	99,231
Depreciation of Property, Plant & Equipment	20,174	23,521
Loss on Disposal of Property, Plant & Equipment	-	10,291

**Changes in Assets and Liabilities**

(Increase)/Decrease in receivables	(128,805)	33,385
(Increase) in other assets	(10,412)	(14,071)
Increase/(Decrease) in payables	304,157	(3,193)
Increase/(Decrease) in current provisions	5,525	(63,765)
Increase/(Decrease) in non current provisions	8,974	(19,865)
Net Cash provided by Operating Activities	<u>277,706</u>	<u>65,534</u>

**18. AUDITOR'S REMUNERATION**

Audit Fees	<u>6,750</u>	<u>6,250</u>
------------	--------------	--------------

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

**19. FINANCIAL REPORTING BY SEGMENTS**

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.

**20. EXECUTIVE COUNCIL**

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

A. Collette	P. Stirling Benson
M. Coppel	C. McGovern
K. McWhinnie	M. Hawkins
R. Cunningham	J. Nicholls
D. Watt	K. Brennan
E. Robinson	R. Rigby (resigned 28 September 2005)
A. Tonks	R. Evans
A. Kay	B. Hayes
C. McMaster	S. Hunt

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 (2004: \$10,000) for services contracted as the Executive Producer of the 2005 Helpmann Awards.

K. Brennan – Chief Executive Officer, Adelaide Festival Centre Trust. This entity received \$9,500 (2004: \$9,500) for consulting services for the Workcover NSW OH&S project.

R. Cunningham – Entertainment General Manager, Star City Casino. This entity received \$5,373 (2004: \$3,435) for the supply of accommodation and venue hire. This entity also received \$18,230 (2004: NIL) for catering the 2004 Helpmann Awards after party.

E. Robinson – Chief Executive, Jands Production Services. This company received \$3,924 (2004: NIL) for staging and production costs for the 2004 Helpmann Awards.

S. Hunt – Director, Performing Arts, Sydney Opera House. This entity received \$97 (2004: \$724) for venue hire services.

B. Hughes Schwab sits on the Board of Just Super Pty Ltd as trustee for Just Super. In consideration of his services AEIA received \$10,500 (2004: \$7,500).

The above transactions were on normal commercial terms and conditions.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

**21. INTERNATIONAL FINANCIAL REPORTING STANDARDS**

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

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.