



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

11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7822  
Fax: (03) 9655 0410  
[margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au)

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

By email: [aeia@aeia.org.au](mailto:aeia@aeia.org.au)

Dear Sir

**Financial Report for Year Ended 30<sup>th</sup> June 2006 – FR2006/405**  
**Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

I refer to previous correspondence in this matter and in particular to my letter to you of 19 October 2007 concerning disclosure of expenses, number of employees, superannuation trustees, Committee of Management statement and clarification of Item 5 of the Notes to Financial Report.

I acknowledge receipt of your letter in reply dated 6 February 2008 which was received in the Registry on 29 February 2008 and the clarification contained in that letter.

The financial report of the Australian Entertainment Industry Association will now be filed.

Please do not hesitate to contact me by email at [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au) or on (03) 8661 7822 if you wish to discuss this matter.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Margaret Williams'.

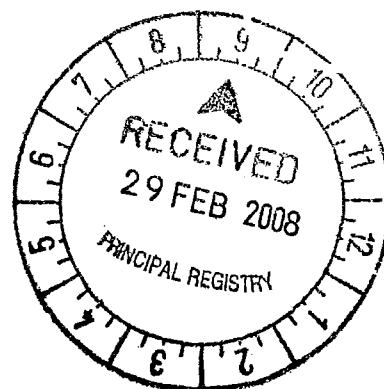
Margaret Williams  
Statutory Services Branch

17 March 2008



6 February 2008

Ms Margaret Williams  
Australian Industry Registry  
GPO Box 1994  
Melbourne VIC 3001



Dear Margaret

**RE: Australian Entertainment Industry Association**

In your correspondence of 19 October 2007 you have requested further information with regard to the Financial Statements as at 30 June 2006 of the Australian Entertainment Industry Association.

**Item 11 of the reporting guidelines further disclosure**

You requested that we provide further disclosure on specific items as per Item 11 of the Report Guidelines.

	2006	2005
	\$	\$
Affiliation fee	Nil	Nil
Grants	Nil	Nil
Donations	Nil	Nil
Legal costs	1,565	6,819
Conference expense	2,099	5,635
Penalties	Nil	Nil
Conference/Meeting – Industry summit	1,999	Nil
Levies	Nil	Nil
Capitation fees or membership subscription	Nil	Nil
Meeting expenses:		
- Management Council meetings	637	848
- Executive Council meetings	422	544
- AGM meeting	1,114	813
- Members meeting	1,378	698
- Other meetings	2,683	894

The above expenses have been included in the Financial Statement at Note 5 , Other Expenses.



### **Operating Report**

	<b>2006</b>	<b>2005</b>
Number of Employees	8	6

### **Superannuation Trustee**

Please see Note 19.

B Schwab, the Chief Executive of AEIA, was a Director of Just Pty Ltd A.C.N 006 457 996 (Just Super), AEIA received \$8,500 for his services to the Board of Just Superannuation.

No 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.

### **Committee of Management Statement**

The Committee of Management passed the resolution to approve and accept the Financial Statements for the financial year ended 30 June 2006 on the 24 October 2006.

### **Note 5 to Financial Report**

No member of the Executive Council received any remuneration. The amount disclosed as Employment Expenses of \$633,401 (2005 \$562,095) was for Employees only.

Yours sincerely

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION**

A handwritten signature in black ink, appearing to read 'Andrew Kay', is written over a large, stylized flourish that extends to the left and bottom of the signature area.

Mr Andrew Kay  
President



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

By email: [aeia@aeia.org.au](mailto:aeia@aeia.org.au)

Dear Sir

**Financial Report for Year Ended 30<sup>th</sup> June 2006 – FR2006/405**  
**Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

I refer to my letter to you of 19 October 2007 and note that I have not received a reply concerning disclosure of expenses, number of employees, superannuation trustees, Committee of Management statement and clarification of Item 5 of the Notes to Financial Report:

I would be pleased if you would respond to my letter of 19 October 2007 at your earliest convenience.

Please do not hesitate to contact me by email at [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au) or on (03) 8661 7822 if you wish to discuss this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Margaret Williams'.

Margaret Williams  
Statutory Services Branch

24 January 2008



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

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

By email: [aeia@aeia.org.au](mailto:aeia@aeia.org.au)

Dear Sir

**Financial Report for Year Ended 30<sup>th</sup> June 2006 – FR2006/405**  
**Schedule 1 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 June 2006. The documents were lodged in the Industrial Registry on 11 December 2006.

The documents have not yet been filed.

The following matters require your further attention. Some of the issues were previously raised in our letter to you of 27 June 2006.

**General Purpose Financial Report – Disclosure of Expenses**

When preparing a General Purpose Financial Report (GPFR), s253(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:

- o Employment benefits paid to office holders (11g));
- o 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 expenses under the one item (as has occurred at item 5 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.

In relation to other expenses under item 5 of the Notes – Expenses”

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

- o Affiliation fees or subscriptions to political parties or industrial bodies (11(d));
- o Grants or donations made by the reporting unit (11(f));
- o Legal costs (11(j));
- o Fees and/or allowances paid for attendance at conferences (22(i));
- o Conference and meeting expenses (22(K));
- o Penalties imposed on the reporting unit by the *Workplace Relations Act* (11(l));
- o Capitation fees or membership subscriptions (11(b)); and
- o Levies that have been imposed upon the reporting unit (11(e)).

If any of these expenses fall within other expenses in the Notes then that item must be dissected accordingly.

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). Would you please ensure that these items are separately itemised in the future where applicable.

### **Operating Report – Number of Employees**

Subsection 254(2)(f) of Schedule 1 and regulation 159(a) 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. Your Operating Report does not contain this information.

### **Superannuation Trustees**

Subsection 254(2)(d) of Schedule 1 requires details of any *officer or member* of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme.

If no officers or members of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy s.254(2)(d) is:

*"No 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."*

### **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 16-18 (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.

### **Notes to Financial Report**

Item 5 'Employment expenses' is noted as is the statement in Item 19 that no members of the Executive Council received any remuneration. Having regard to the Rules of the Organisation it is not apparent whether or not the officers of President and Vice Presidents are honorary positions. Could you please clarify that the amount of \$663,401 is payable to employees only and not as employee benefits both to employees and to the holders of the offices of the Association. Refer Registrar's Guidelines 19(e).

Please do not hesitate to contact me by email at [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au) or on (03) 8661 7822 if you wish to discuss this matter.

A copy of the financial report will be placed on the website maintained by the Industrial Registry at [www.e-airc.gov.au/031N](http://www.e-airc.gov.au/031N).

Yours sincerely



Margaret Williams  
Statutory Services Branch

19 October 2007



FR2006/405

5 December 2006

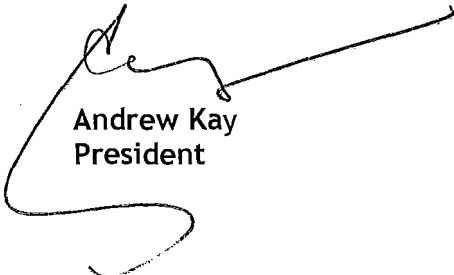
Industrial Registrar  
Australian Industrial Relations Commission  
Level 35  
Nauru House  
80 Collins Street  
MELBOURNE VIC 3000

**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 1 December 2006. This information was sent to members on 10 November 2006.

Yours faithfully,



Andrew Kay  
President



**AUSTRALIAN ENTERTAINMENT  
INDUSTRY ASSOCIATION**

ABN 43 095 907 857

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

**AUSTRALIAN ENTERTAINMENT  
INDUSTRY ASSOCIATION**

Registered Office

Level 1  
15-17 Queen Street  
MELBOURNE VIC 3000

**FINANCIAL REPORT  
YEAR ENDED 30 JUNE 2006**

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# AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

## COUNCILLORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2006

Your Councillors submit the financial report of the Australian Entertainment Industry Association for the financial year ended 30 June 2006.

### COUNCILLORS

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

A. Collette		J. Nicholls	
M. Coppel		K. Brennan	
K. McWhinnie	(until 2 Dec 2005)	R. Rigby	(resigned 28 Sept 2005)
R. Cunningham		R. Evans	(until 2 Dec 2005)
D. Watt	(until 2 Dec 2005)	B. Hayes	(until 2 Dec 2005)
E. Robinson		S. Hunt	
A. Tonks		R. Phillips	(appointed 2 Dec 2005)
A. Kay		T. Green	(appointed 2 Dec 2005)
C. McMaster		A. Moon	(appointed 2 Dec 2005)
P. Stirling Benson	(resigned 26 May 2006)	L. Withers	(appointed 2 Dec 2005)
C. McGovern		B. Nebenzahl	(appointed 2 Dec 2005)
M. Hawkins	(until 2 Dec 2005)	M. Lazurus Hall	(appointed 2 Dec 2005)

### 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.
- ♦ Representing the industry to government, the private sector and the general public.

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 \$9,372 (2005: \$78,093).

### AFTER BALANCE DATE EVENTS

Subsequent to balance date but prior to signing this financial report the Association's Chief Executive, Mr Brendan Hughes Schwab, resigned. The resignation took effect from the 30th September 2006, which coincided with the expiry of his original three year agreement. No other 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 2006

**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 (2005: \$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 2006 the Association had 266 members (2005: 260 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.
- 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.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

MEMBERSHIP (CONT.)

- 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

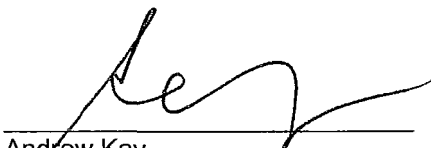
24 October 2006  
Melbourne

**AUSTRALIAN ENTERTAINMENT  
INDUSTRY ASSOCIATION  
EXECUTIVE COUNCIL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

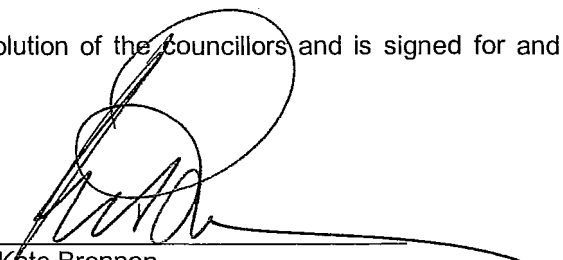
In the opinion of the Councillors, the financial report as set out on pages 6 to 20:

1. Presents a true and fair view of the financial position of the Australian Entertainment Industry Association as at 30 June 2006 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 2006, 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 24th day of October 2006.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
<b>Revenue</b>	4	<u>1,342,453</u>	<u>1,354,303</u>
<b>Expenses</b>			
AEIA – Administration Expenses		(1,073,151)	(1,051,636)
Depreciation expense		(20,728)	(20,174)
Helpmann Awards		(239,203)	(204,401)
	5	<u>(1,333,082)</u>	<u>(1,276,210)</u>
<b>Profit/(Loss) before Income Tax Expense</b>		<u>9,371</u>	<u>78,093</u>
Income tax expense	1(d)	<u>-</u>	<u>-</u>
<b>Profit/(Loss) after Income Tax Expense</b>		<u><u>9,371</u></u>	<u><u>78,093</u></u>

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
BALANCE SHEET AS AT 30 JUNE 2006**

	NOTES	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	731,786	759,879
Trade and other receivables	7	247,830	256,480
Other financial assets	8	10	10
Other	9	44,759	28,148
<b>TOTAL CURRENT ASSETS</b>		<u>1,024,385</u>	<u>1,044,517</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	10	42,037	57,402
<b>TOTAL NON-CURRENT ASSETS</b>		<u>42,037</u>	<u>57,402</u>
<b>TOTAL ASSETS</b>		<u>1,066,422</u>	<u>1,101,919</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	632,734	673,420
Provisions	12	39,055	32,971
<b>TOTAL CURRENT LIABILITIES</b>		<u>671,789</u>	<u>706,391</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	25,692	35,958
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>25,692</u>	<u>35,958</u>
<b>TOTAL LIABILITIES</b>		<u>697,481</u>	<u>742,349</u>
<b>NET ASSETS</b>		<u><b>368,941</b></u>	<u><b>359,570</b></u>
<b>MEMBERS' EQUITY</b>			
Retained Profits		368,941	359,570
<b>TOTAL MEMBERS' EQUITY</b>		<u><b>368,941</b></u>	<u><b>359,570</b></u>

The above Balance Sheet is to be read in conjunction with the notes to and forming part of the financial statements.



AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
Retained Profits at the beginning of year 1 July	359,570	281,477
Profit Attributable to the members	9,371	78,093
Retained Profits at the end of year 30 June	<u>368,941</u>	<u>359,570</u>

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from members and non members		1,053,920	1,371,976
Payments to suppliers and employees		(1,107,454)	(1,124,758)
Interest received		30,804	30,488
<b>Net Cash (Used in)/Provided By Operating Activities</b>	<b>17(b)</b>	<u><b>(22,730)</b></u>	<u><b>277,706</b></u>
<b>Cash Flows From Investing Activities</b>			
Purchase of Property, Plant and Equipment		<u>(5,363)</u>	<u>(28,685)</u>
<b>Net Cash used in Investing Activities</b>		<u><b>(5,363)</b></u>	<u><b>(28,685)</b></u>
<b>Net increase/(decrease) in cash held</b>		<b>(28,093)</b>	<b>249,021</b>
Cash at the beginning of the financial year		<u>759,879</u>	<u>510,858</u>
<b>Cash at the End of the Financial Year</b>	<b>6,17(a)</b>	<u><b>731,786</b></u>	<u><b>759,879</b></u>

The above Cash Flow Statement 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 2006**

**INTRODUCTION**

The Australian Entertainment Industry Association (AEIA) is a 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.

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, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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.

Financial Report Complies with AIFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRS (AIFRS) ensures that the financial report of Live Performance Australia, comprising the financial statements and notes, complies with IFRS.

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Plant and Equipment**

Plant and equipment is measure 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 these assets employed and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**(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 – 37.5%
- Furniture and Fittings	9 - 40%

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

**(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.

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) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term liquid investments.

**(f) Goods and Service Tax**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**(g) 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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

**(h) 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.

**(i) Allowance for Doubtful Debts**

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

**(j) Trade and other 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 allowances for doubtful accounts.

**(k) Trade and other payables**

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

**(l) 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.

**(m) Impairment**

At each reporting date the company 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.

**(n) Comparative Figures**

Comparatives have been reclassified so as to be consistent with the figures presented in the current year. Australian equivalents to International Financial Reporting Standards have been applied to all current and comparative figures consistently.

**(o) Australian Equivalents to International Accounting Standards**

The introduction of A-IFRS has not given rise to any adjustments to the comparative Balance Sheet, Income Statement or Cash Flow Statement.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

**2. EVENTS SUBSEQUENT TO BALANCE DATE**

Subsequent to balance date but prior to signing this financial report the Association's CEO, Mr Brendan Hughes Schwab, resigned. The resignation took effect from the 30th September 2006, which coincided with the expiry of his original three year agreement.

**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.

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>4. REVENUE FROM ORDINARY ACTIVITIES</b>		
<b>Operating Activities</b>		
Members Subscription	404,499	363,954
Non-Members Subscription	46,092	49,768
Loose Leaf Industrial Award Update Subscription	19,456	21,637
Helpmann Awards	207,189	168,996
Entertainment Industry Service Fee	534,923	554,300
Sponsorship	22,500	-
	<u>1,234,659</u>	<u>1,158,655</u>
<b>Non-Operating Activities</b>		
Interest	30,804	30,488
Donations	-	36,449
Grant – Dept. of Communications, Information technology and the Arts	-	80,000
Confederation of Australian Arts Centres and Music Foundation	61,359	-
Grant – Workcover NSW	-	25,000
Other	15,632	23,711
	<u>107,795</u>	<u>195,648</u>
<b>Total Revenue</b>	<u><u>1,342,454</u></u>	<u><u>1,354,303</u></u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>5. EXPENSES</b>		
Expenses include the following items:		
Auditors remuneration – Audit Services	7,100	7,050
Auditors remuneration – Other Services	-	-
Communication expenses	29,438	34,930
Computer expenses	14,988	21,700
Ticketing survey	839	64,827
Depreciation expenses	20,727	20,174
Employment expenses	633,401	562,095
Helpmann Award expenses	239,203	204,401
Insurance expenses	22,455	22,667
Membership Development	99,403	69,202
Operating lease payments	57,315	50,528
Other expenses	75,035	86,364
Printing and stationery	34,319	58,314
Relocation expenses	-	14,531
Travel and entertainment	98,817	36,142
NSW Workcover Project	42	23,285
	<u>1,333,082</u>	<u>1,276,210</u>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	531,505	558,882
Cash at Bank – Commonwealth Funding	-	60,775
Cash at Bank – Workcover NSW	81	3,291
Cash on Hand	200	200
Short-term Deposit	200,000	136,731
	<u>731,786</u>	<u>759,879</u>
The short term deposit matures on 21 December 2006. The effective interest rate on the short term deposit is 5.95%		
<b>7. TRADE AND OTHER RECEIVABLES (CURRENT)</b>		
Trade debtors	241,339	223,013
Accrued revenue	20,185	47,833
	<u>261,524</u>	<u>270,846</u>
Allowance for Doubtful Debts	(13,694)	(14,366)
	<u>247,830</u>	<u>256,480</u>
<b>8. OTHER FINANCIAL ASSETS (CURRENT)</b>		
Investment in Endeavour Credit Union	<u>10</u>	<u>10</u>
<b>9. OTHER (CURRENT)</b>		
Prepayments	<u>44,759</u>	<u>28,148</u>

	2006 \$	2005 \$
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Office Equipment - At Cost	174,430	170,322
Less: Accumulated Depreciation	<u>(147,052)</u>	<u>(128,678)</u>
	27,378	41,644
Furniture and Fittings - At Cost	18,237	16,982
Less: Accumulated Depreciation	<u>(3,578)</u>	<u>(1,224)</u>
	14,659	15,758
Total Property, Plant & Equipment	192,667	187,304
Total Accumulated Depreciation	<u>(150,630)</u>	<u>(129,902)</u>
	42,037	57,402

	Opening Written Down Value \$	Additions \$	Depreciation and Amortisation \$	Disposals \$	Closing Written Down Value \$
Office Equipment	41,644	4,108	(18,374)	-	27,378
Furniture and Fittings	15,758	1,255	(2,354)	-	14,659
	<u>57,402</u>	<u>5,363</u>	<u>(20,728)</u>	<u>-</u>	<u>42,037</u>

**11. TRADE AND OTHER PAYABLES**

**Non Interest Bearing**

Trade Creditors	197,701	160,085
Accruals	7,100	18,208
Subscriptions in Advance	208,064	335,961
Income in Advance –Confederation of Australian Arts Centres Theatre and Music Foundation	97,807	159,166
Helpmann Sponsorship	102,181	0
Unexpended Victorian Workcover Authority	19,881	-
	<u>632,734</u>	<u>673,420</u>

**12. PROVISIONS (CURRENT)**

**Non Interest Bearing**

Annual Leave	39,055	32,971
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**13. PROVISIONS (NON-CURRENT)**

**Non Interest Bearing**

Long Service Leave	<u>25,692</u>	<u>35,958</u>
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**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>14. EXPENDITURE COMMITMENTS</b>		
Non-Cancellable Operating Leases Payable: Premises Rental		
Payable no later than one year	55,952	54,278
Payable later than one year but not later than five years	28,457	84,409
	<u>84,409</u>	<u>138,687</u>

**15. 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:

2006	Non Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate Maturing <1 Years \$	Total \$
<b>Financial Assets</b>				
Cash	200	531,586	200,000	731,786
Receivables	247,830	-	-	247,830
	<u>248,030</u>	<u>531,586</u>	<u>200,000</u>	<u>979,616</u>
Weighted Average interest rate		4.5%	6.0%	
<b>Financial Liabilities</b>				
Payables	632,734	-	-	632,734
	<u>632,734</u>	<u>-</u>	<u>-</u>	<u>632,734</u>
<b>Net Financial Assets/ (Liabilities)</b>	<u>(384,704)</u>	<u>531,586</u>	<u>200,000</u>	<u>346,882</u>
<b>2005</b>				
<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>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

**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 Balance Sheet, net of any provisions for losses.

2006	2005
\$	\$

**17. NOTES TO CASH FLOW STATEMENT**

**(a) Reconciliation of cash**

For the purposes of the cash flow statement, 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 cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at Bank and on hand	531,786	623,148
Short Term Deposit	200,000	136,731
	<u>731,786</u>	<u>759,879</u>

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

Profit after Income Tax	9,372	78,093
Depreciation of Property, Plant & Equipment	20,727	20,174
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in trade and other receivables	18,792	(128,805)
Increase/(Decrease) in allowance for bad debts	(672)	-
(Increase) in other assets	(26,081)	(10,412)
Increase/(Decrease) in trade and other payables	(40,686)	304,157
Increase/(Decrease) in current provisions	6,084	5,525
Increase/(Decrease) in non current provisions	(10,266)	8,974
Net Cash (Utilised)/provided by Operating Activities	<u>(22,730)</u>	<u>277,706</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

**18. FINANCIAL REPORTING BY SEGMENTS**

The Association principally operates in the live entertainment industry. 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.

**19. EXECUTIVE COUNCIL**

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

A. Collette	<b>Resigned</b>
M. Coppel	R. Rigby (resigned 28 Sept 2005)
R. Cunningham	R. Evans (until 2 Dec 2005)
E. Robinson	B. Hayes (until 2 Dec 2005)
A. Tonks	P. Stirling Benson (resigned 26 May 2006)
A. Kay	M. Hawkins (until 2 Dec 2005)
C. McMaster	D. Watt (until 2 Dec 2005)
C. McGovern	K. McWhinnie (until 2 Dec 2005)
S. Hunt	<b>Appointed</b>
J. Nicholls	R. Phillips (appointed 2 Dec 2005)
K. Brennan	T. Green (appointed 2 Dec 2005)
	A. Moon (appointed 2 Dec 2005)
	L. Withers (appointed 2 Dec 2005)
	B. Nebenzahl (appointed 2 Dec 2005)
	M. Lazurus Hall (appointed 2 Dec 2005)

No members of the Executive Council received any remuneration.

**Related Party Transactions**

The following related party transactions occurred during the financial year:

J. Nicholls – Director, Jon Nicholls Productions Pty Ltd. This company received \$10,000 (2005: Nil) for services contracted as the Executive Producer of the 2006 Helpmann Awards.

R. Phillips – Chief Executive, Ogden IFC (Perth). This entity received \$1,020 for venue hire and meeting services (2005: Nil).

B. Hughes Schwab – Chief Executive, AEIA sits on the Board of Just Super Pty Ltd trustee for Just Super. In consideration of his services AEIA received \$8,500 (2005: \$10,500).

R. Cunningham – Entertainment General Manager, Star City Casino. This entity received \$7,165 (2005: \$5,373) for the supply of accommodation and venue hire. This entity also received Nil (2005: \$18,230) for catering the 2005 Helpmann Awards after party.

E. Robinson – Chief Executive, Jands Production Services. This company received Nil (2005: \$3,923) for staging and production costs for the 2005 Helpmann Awards.

S. Hunt – Director, Performing Arts, Sydney Opera House. This entity received \$Nil (2005: \$97) for venue hire services.

R. Rigby – Director, Newtheatricals Pty Ltd. This company received Nil (2005: \$10,000) for services contracted as the Executive Producer of the 2005 Helpmann Awards.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

**19. EXECUTIVE COUNCIL (Cont'd)**

K. Brennan – Former Chief Executive Officer, Adelaide Festival Centre Trust. This entity received Nil (2005: \$9,500) for consulting services for the Workcover NSW OH&S project.

The above transactions were on normal commercial terms and conditions.

**20. KEY MANAGEMENT PERSONEL COMPENSATION**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
The following table discloses the aggregate of Key Management personnel compensation		
Short term employee benefits	245,428	160,175
Post employment benefits - superannuation	12,750	11,427
	<hr/>	<hr/>
Total remuneration	<u>258,178</u>	<u>171,602</u>



Chartered Accountants  
& Business Advisers

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

**Scope**

*The Financial Report and Councillors Responsibility*

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Notes to the Financial Statements and Executive Council Statement, for the Australian Entertainment Industry Association for the year ended 30 June 2006.

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 the Australian Entertainment Industry Association's financial position at 30 June 2006, 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

PKF  
Chartered Accountants  
24 October 2006, Melbourne

M L Port  
Partner

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