



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 Mr Kay,

**Re: Financial Report for the Financial Year ended 30 June 2007 - FR2007/389**  
**Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

I acknowledge receipt of the financial report of the Australian Entertainment Industry Association for the financial year ended 30 June 2007. The documents were lodged in the Industrial Registry on 29 February 2008 and 13 May 2008.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

**Notes to and Forming Part of the Financial Statements**

I note that your letter of 6 February 2008 discloses specific items 'as per Item of 11 of the Report Guidelines'. Please note that guideline 11 of the Reporting Guidelines requires the balances for the items of expenses listed in guideline 11 to be disclosed by the reporting unit in the *notes to the financial statements* unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards.

I refer you to the following relevant sections of guideline 11:

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

These items of expenses *must* be disclosed in the notes to the financial statements, if not already individually listed on the profit and loss statement. Disclosure in a letter is *not* sufficient.

**References to Schedule 1B**

Note 3 contains a reference to Schedule 1B of the *Workplace Relations Act 1996*. Such references should now be to Schedule 1 or the RAO Schedule.

## References to a Company and the Corporations Act

The introduction to the Notes contains a reference to the Corporations Act 2001. Please note that the relevant Act these notes should be prepared in accordance with is the Workplace Relations Act 1996.

The introduction to the Notes also contains a reference to 'the financial report of Live Performance Australia'. Please note that this financial report is for the organisation registered under the Workplace Relations Act 1996 and should be in the name of the 'Australian Entertainment Industry Association'.

## **General Purpose Financial Reports**

The other declarations included in your letter of 6 February 2008 must also be included in the relevant statement, report or note. This includes the following omissions from your financial report:

- Superannuation Trustees must be declared in the Operating Report – subsection 254(2)(d) of the RAO Schedule
- Number of Employees must be declared in the Operating Report – subsection s254(2)(f) of the RAO Schedule and regulation 159(b) of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003
- The Resolution of the Committee of Management to accept the financial report must be declared in the Committee of Management Statement – guidelines 26(a) and 26(b) of the Reporting Guidelines
- Employee remuneration must be stated to be 'Employment Expenses for Employees' in Note 5 – guideline 11(h) of the Reporting Guidelines

These declarations *must* be disclosed in the relevant report, statement or note. Disclosure in a letter is *not* sufficient.

## Donations, Grants or Loans

I have noted that donations totalling \$2,084 were made in the financial year ending 30 June 2007. Under subsection 237(1) of the RAO Schedule there are certain steps that need to be taken if an individual donation exceeds \$1000.

As no subsection 237(1) statement has been lodged we assume that no single donation exceeded \$1000. Should this not be the case, please immediately advise the Registry of the relevant details to ensure that there is the fullest possible compliance with the reporting requirements under section 237.

## **Auditor's Report**

### Auditor's Qualifications

The Auditor's Report should be amended so that it provides details of the Auditor's qualifications to confirm he or she is an 'approved auditor' under s256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants *and* holds a current Public Practice Certificate. It is our preference that these qualifications are noted on the Auditor's Report.

### **Non Compliance with Previous Requests**

I note that the organisation's deficiencies in complying with the reporting guidelines and the RAO Schedule have been brought to your attention on a previous occasion.

I advise that whilst I am prepared to file the financial report on this occasion, in the event that future financial reports are lodged that do not comply fully with all the requirements in the RAO Schedule and the Reporting Guidelines, the Association will be required to remedy any deficiencies before the report is filed. For example, in relation to this year's financial report, this would mean re-drawing all of the financial statements, having a fresh audit done on those revised statements, re-circulating the documents to the members, re-presenting the general purpose financial report to the appropriate meeting and re-lodging the report in the Registry with an appropriate designated officer's certificate.

Should you wish to discuss the matters raised in this letter, I can be contacted on (03) 8661 7882 or by email at [michelle.baldini@air.gov.au](mailto:michelle.baldini@air.gov.au).

Yours sincerely

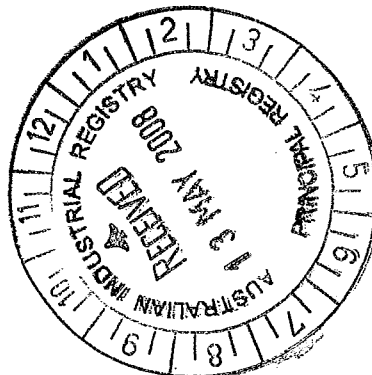


Michelle Baldini  
Statutory Services Branch

15 May 2008



9th May 2008



Mr Thomas Tran,  
Australian Industry Registry,  
Research, Information and Advice Branch,  
Level 5, 11 Exhibition Street,  
GPO Box 1994,  
Melbourne Vic 3001

Dear Tran,

Please find attached a copy of the revised Audit Report as you have requested.

Regards Neil Collins,  
Finance & Membership Manager

A handwritten signature in black ink that reads 'Neil Collins'.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

We have audited the accompanying financial report of The Australian Entertainment Industry Association, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

### *The Responsibility of councillors for the Financial Report*

The councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the councillors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the compliance with Australian equivalents to International Financial Reporting Standards ensures that the financials, comprising the financial statements and notes complies with International Financial Reporting standards.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the councillors, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

### *Auditor's Opinion*

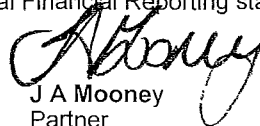
In our opinion, the financial report presents fairly, in all material respects, the financial position of the Australian Entertainment Industry Association as of 30 June 2007 and of its performance and its cash flows for the year ended on that date; and is in accordance with:

- (a) the Workplace Relations Act 1996, including 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
- (c) the financial report also complies with International Financial Reporting standards as disclosed in Note 1.



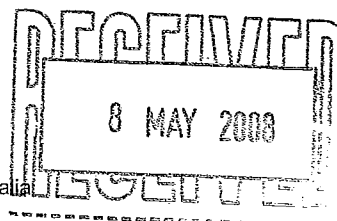
PKF  
Chartered Accountants

25 October 2007  
Melbourne



J A Mooney  
Partner

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | [www.pkf.com.au](http://www.pkf.com.au)  
PKF | ABN 83 236 985 726  
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia  
GPO Box 5099 | Melbourne | Victoria 3001





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

Level 5, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9655 0410  
Email: [melbourne@air.gov.au](mailto:melbourne@air.gov.au)

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

By e-mail: [aeia@aeia.org.au](mailto:aeia@aeia.org.au)

Dear Mr. Kay

**Schedule 1, Workplace Relations Act 1996**  
**Financial report for year ended 30 June 2007 [FR2007/389]**

I acknowledge receipt of the financial report of the Australian Entertainment Industry Association (the reporting unit) for the financial year ended 30 June 2007. These documents were lodged in the Registry on 29 February 2008.

I note that the auditor in his Report formed the opinion that the financial report gives "a true and fair view" of the reporting unit's financial position for the financial year. I refer you to section 257(5) of Schedule 1 to the *Workplace Relations Act 1996* (the RAO Schedule) which requires the auditor to form an opinion whether the financial report is "presented fairly" in accordance with the Act and with applicable guidelines.

Therefore, I ask that you provide me with a copy of an appropriately worded Auditor's Report so that examination of the financial documents can be completed.

If you have any queries please do not hesitate to contact me on (03) 8661 7921 or by e-mail at [tom.tran@air.gov.au](mailto:tom.tran@air.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Thomas Tran'.

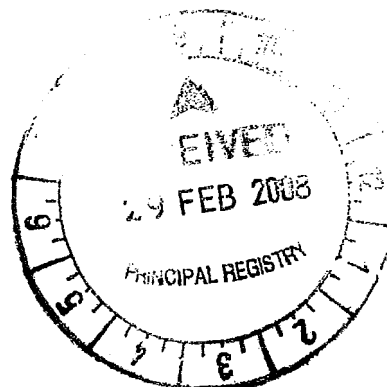
Thomas Tran  
Statutory Services Branch

11 March 2008



6 February 2008

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



Dear Margaret

**RE: Australian Entertainment Industry Association**

Please find enclosed:-

- Copy of the Annual report of the Australian Entertainment Industry Association (AEIA) for 30<sup>th</sup> June 2007;
- Auditors report for 2007;
- Annual Return – Secretary Certificate;
- Declaration from the President, Mr Andrew Kay regarding office holders at 1<sup>st</sup> December 2007.

*5233  
material  
- Separated  
(with MW)*

Further, following your letter regarding our 2006 Financial Statements, we would like to make the following declarations;

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

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

	2007	2006
	\$	\$
Affiliation fee	Nil	Nil
Grants	Nil	Nil
Donations	2,084	Nil
Legal costs	2,415	1,565
Conference expense	2,926	2,009
Penalties	Nil	Nil
Conference/Meeting – Industry summit	0	1,999
Levies	Nil	Nil
Capitation fees or membership subscription	Nil	Nil
Meeting expenses:		
- Management Council meetings	2,603	637
- Executive Council meetings	2,654	422
- AGM meeting	1,468	1,114
- Members meeting	3,676	1,378
- Other meetings	1,585	2,683



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

### **Operating Report**

	<b>2007</b>	<b>2006</b>
Number of Employees	8	8

### **Superannuation Trustee**

Please see Note 19.

E Richardson, the Chief Executive of AEIA, was a Director of Just Pty Ltd A.C.N 006 457 996 (Just Super), AEIA received \$2,800 for her 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**

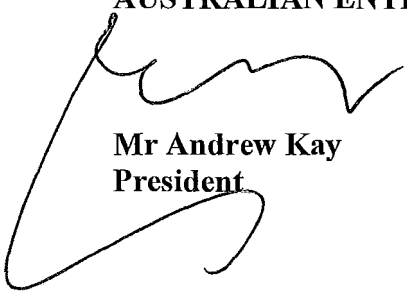
The Committee of Management passed the resolution to approve and accept the Financial Statements for the financial year ended 30 June 2007 on 25 October 2007.

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

No member of the Executive Council received any remuneration. The amount disclosed as Employment Expenses of \$652,280 (2006 \$633,401) was for Employees only.

Yours sincerely

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION**

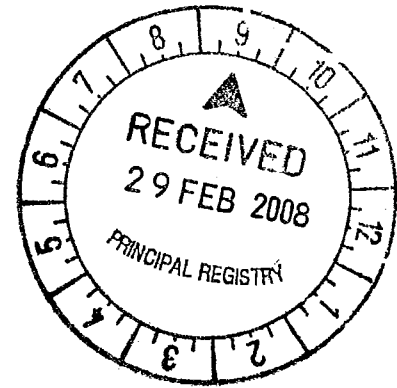


**Mr Andrew Kay**  
**President**





13<sup>TH</sup> February 2008



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 30 November 2007. This information was sent to members on 29<sup>th</sup> October 2007.

Yours faithfully,

  
Andrew Kay  
President

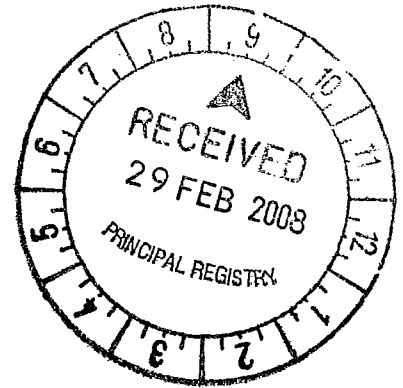
Appendix A

**AUSTRALIAN ENTERTAINMENT  
INDUSTRY ASSOCIATION**

ABN 43 095 907 857

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007



**AUSTRALIAN ENTERTAINMENT  
INDUSTRY ASSOCIATION**

Registered Office

Level 1  
15-17 Queen Street  
MELBOURNE VIC 3000

**FINANCIAL REPORT  
YEAR ENDED 30 JUNE 2007**

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# AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

## COUNCILLORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2007

Your councillors submit the financial report of the Australian Entertainment Industry Association for the financial year ended 30 June 2007.

#### COUNCILLORS

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

A. Collette	
M. Coppel	S. Hunt (resigned 1 Sept 2006)
R. Cunningham	K. Brennan (resigned 1 Dec 2006)
E. Robinson	T. Green (resigned 1 Dec 2006)
A. Tonks	M Lazarus-Hall (resigned 1 June 2007)
A. Kay	S. Lorson (resigned 1 June 2007)
C. McMaster	M. O'Connor (appointed 1 Sept 2006)
C. McGovern	S. Hunt (appointed 1 Dec 2006)
J. Nicholls	R. Healy (appointed 1 Dec 2006)
R. Phillips	D. Ballantyne (appointed 1 June 2007)
A. Moon	D. Daniels (appointed 1 June 2007)
L. Withers	
B. Nebenzahl	

#### 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 loss of \$53,564 (2006: \$9,372 profit).

#### 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 2007

#### 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 \$13,358 (2006: \$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 2007 the Association had 278 members (2006: 266 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 2007

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

Craig McGovern  
Vice President

25<sup>th</sup> October 2007

**AUSTRALIAN ENTERTAINMENT  
INDUSTRY ASSOCIATION  
EXECUTIVE COUNCIL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**

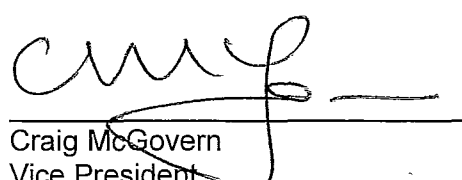
In the opinion of the Councillors, the financial report as set out on pages 6 to 21:

1. Presents a true and fair view of the financial position of the Australian Entertainment Industry Association as at 30 June 2007 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 2007, 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



Craig McGovern  
Vice President

25<sup>th</sup> October 2007

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	2007 \$	2006 \$
<b>Revenue</b>	4	<u>1,369,535</u>	<u>1,342,453</u>
<b>Expenses</b>			
AEIA – Administration Expenses		(1,074,712)	(1,073,151)
Depreciation and amortisation expense		(20,203)	(20,728)
Helpmann Awards		(328,184)	(239,203)
	5	<u>(1,423,099)</u>	<u>(1,333,082)</u>
<b>Profit/(Loss) before Income Tax Expense</b>		<u>(53,564)</u>	<u>9,371</u>
Income tax expense	1(d)	<u>-</u>	<u>-</u>
<b>Profit/(Loss) after Income Tax Expense</b>		<u>(53,564)</u>	<u>9,371</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 2007**

	NOTES	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	698,892	731,786
Trade and other receivables	7	149,338	247,830
Other financial assets	8	10	10
Other	9	59,272	44,759
<b>TOTAL CURRENT ASSETS</b>		<u>907,512</u>	<u>1,024,385</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	10	47,161	42,037
Intangibles	11	49,750	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>96,911</u>	<u>42,037</u>
<b>TOTAL ASSETS</b>		<u>1,004,423</u>	<u>1,066,422</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	627,532	632,734
Provisions	13	33,758	39,055
<b>TOTAL CURRENT LIABILITIES</b>		<u>661,290</u>	<u>671,789</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	14	27,756	25,692
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>27,756</u>	<u>25,692</u>
<b>TOTAL LIABILITIES</b>		<u>689,046</u>	<u>697,481</u>
<b>NET ASSETS</b>		<u><b>315,377</b></u>	<u><b>368,941</b></u>
<b>MEMBERS' EQUITY</b>			
Retained Profits		<u>315,377</u>	<u>368,941</u>
<b>TOTAL MEMBERS' EQUITY</b>		<u><b>315,377</b></u>	<u><b>368,941</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 2007**

	2007 \$	2006 \$
Retained Profits at the beginning of year 1 July	368,941	359,570
Profit/(Loss) Attributable to the members	<u>(53,565)</u>	<u>9,371</u>
Retained Profits at the end of year 30 June	<u>315,377</u>	<u>368,941</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 2007**

	Notes	2007 \$	2006 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from members and non members		1,428,884	1,053,920
Payments to suppliers and employees		(1,410,088)	(1,107,454)
Interest received		24,630	30,804
<b>Net Cash (Used in)/Provided By Operating Activities</b>	<b>18(b)</b>	<u><b>43,426</b></u>	<u><b>(22,730)</b></u>
<b>Cash Flows From Investing Activities</b>			
Purchase of Property, Plant and Equipment		(24,320)	(5,363)
Payment for Intangibles		(52,000)	-
<b>Net Cash used in Investing Activities</b>		<u><b>(76,320)</b></u>	<u><b>(5,363)</b></u>
<b>Net increase/(decrease) in cash held</b>		<b>(32,894)</b>	<b>(28,093)</b>
Cash at the beginning of the financial year		731,786	759,879
<b>Cash at the End of the Financial Year</b>	<b>6,18(a)</b>	<u><u><b>698,892</b></u></u>	<u><u><b>731,786</b></u></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 2007**

**INTRODUCTION**

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

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

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

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board 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 measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by councillors to ensure it is not in excess of the recoverable amount from the assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from these assets employed and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

**(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%

**(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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

**(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.

**(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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

**(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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

**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.

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>4. REVENUE FROM ORDINARY ACTIVITIES</b>		
<b>Operating Activities</b>		
Members Subscription	426,784	404,499
Non-Members Subscription	42,353	46,092
Loose Leaf Industrial Award Update Subscription	18,140	19,456
Helpmann Awards	238,144	207,189
Entertainment Industry Service Fee	538,643	534,923
Sponsorship	25,000	22,500
	<u>1,289,064</u>	<u>1,234,659</u>
<b>Non-Operating Activities</b>		
Interest	24,630	30,804
Confederation of Australian Arts Centres and Music Foundation	39,123	61,359
Other	16,718	15,632
	<u>80,471</u>	<u>107,795</u>
Total Revenue	<u>1,369,535</u>	<u>1,342,454</u>



**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

**5. EXPENSES**

Expenses include the following items:

Auditors remuneration – Audit Services	14,500	7,100
Auditors remuneration – Other Services	-	-
Communication expenses	30,648	29,438
Computer expenses	19,095	14,988
Data Project	-	839
Depreciation expenses	20,203	20,727
Employment expenses	652,280	633,401
Helpmann Award expenses	328,125	239,203
Insurance expenses	22,402	22,455
Membership Development	39,123	99,403
Operating lease payments	59,297	57,315
Other expenses	109,173	75,035
Printing and stationery	28,384	34,319
Travel and entertainment	99,869	98,817
Workcover Project	-	42
	<u>1,423,099</u>	<u>1,333,082</u>

**6. CASH AND CASH EQUIVALENTS**

Cash at Bank	465,670	531,505
Cash at Bank – Workcover NSW	11,060	81
Cash on Hand	200	200
Car Park Deposit	592	-
Short-term Deposit	221,370	200,000
	<u>698,892</u>	<u>731,786</u>

The short term deposit matures on 21 December 2007.  
The effective interest rate on the short term deposit is  
6.3% (2006:5.95%)

**7. TRADE AND OTHER RECEIVABLES (CURRENT)**

Trade debtors	163,032	241,339
Accrued revenue	-	20,185
	<u>163,032</u>	<u>261,524</u>
Allowance for Doubtful Debts	(13,694)	(13,694)
	<u>149,338</u>	<u>247,830</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

**8. OTHER FINANCIAL ASSETS (CURRENT)**

Investment in Endeavour Credit Union	<u>10</u>	<u>10</u>
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**9. OTHER (CURRENT)**

Prepayments	<u>59,272</u>	<u>44,759</u>
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**10. PROPERTY, PLANT AND EQUIPMENT**

Office Equipment - At Cost	186,674	174,430
Less: Accumulated Depreciation	<u>(147,854)</u>	<u>(147,052)</u>
	38,820	27,378
Furniture and Fittings - At Cost	12,833	18,237
Less: Accumulated Depreciation	<u>(4,492)</u>	<u>(3,578)</u>
	8,341	14,659
Total Property, Plant & Equipment	199,507	192,667
Total Accumulated Depreciation	<u>(152,346)</u>	<u>(150,630)</u>
	47,161	42,037

	Opening Written Down Value \$	Additions \$	Depreciation and Amortisation \$	Disposals \$	Closing Written Down Value \$
Office Equipment	27,378	20,617	(9,535)	-	38,820
Furniture and Fittings	14,659	-	(6,318)	-	8,341
	<u>42,037</u>	<u>20,617</u>	<u>(15,853)</u>	<u>-</u>	<u>47,161</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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<b>11. INTANGIBLES</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Trademarks – At Cost	2,100	-
Web site - At Cost	52,000	-
Less: Accumulated Amortisation - Website	(4,350)	-
	<u>49,750</u>	<u>-</u>

	Opening Written Down Value	Additions	Depreciation and Amortisation	Disposals	Closing Written Down Value
	\$	\$	\$	\$	\$
Trademarks	-	2,100	-	-	2,100
Web site	-	52,000	(4,350)	-	47,650
	<u>-</u>	<u>54,100</u>	<u>(4,350)</u>	<u>-</u>	<u>49,750</u>

<b>12. TRADE AND OTHER PAYABLES</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Non Interest Bearing</b>		
Trade Creditors	221,099	197,701
Accruals	11,000	7,100
Subscriptions in Advance	218,266	208,064
Income in Advance –Helpman Sponsorship & Confederation of Australian Arts	167,500	199,988
Unexpended Workcover NSW Funding	9,667	19,881
	<u>627,532</u>	<u>632,734</u>

<b>13. PROVISIONS (CURRENT)</b>		
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Non Interest Bearing</b>		
Annual Leave	<u>33,758</u>	<u>39,055</u>

<b>14. PROVISIONS (NON-CURRENT)</b>		
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Non Interest Bearing</b>		
Long Service Leave	<u>27,756</u>	<u>25,692</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	2007 \$	2006 \$
<b>15. EXPENDITURE COMMITMENTS</b>		
Non-Cancellable Operating Leases Payable:		
Premises Rental		
Payable no later than one year	55,952	55,952
Payable later than one year but not later than five years	211,430	28,457
	<u>267,381</u>	<u>84,409</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:

2007	Non Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate Maturing <1 Years \$	Total \$
<b>Financial Assets</b>				
Cash	200	477,322	221,370	698,892
Receivables	149,338	-	-	149,338
	<u>149,538</u>	<u>477,322</u>	<u>221,370</u>	<u>848,230</u>
Weighted Average interest rate		4.3%	6.3%	
<b>Financial Liabilities</b>				
Payables	627,532	-	-	627,532
	<u>627,532</u>	<u>-</u>	<u>-</u>	<u>627,532</u>
<b>Net Financial Assets/ (Liabilities)</b>	<u>(477,994)</u>	<u>477,322</u>	<u>221,370</u>	<u>220,698</u>
<b>2006</b>				
<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>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**17. 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.

<b>2007</b>	<b>2006</b>
\$	\$

**18. 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	486,992	531,786
Short Term Deposit	211,900	200,000
	<u>698,892</u>	<u>731,786</u>

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

Profit/(loss) after Income Tax	(53,564)	9,372
Depreciation of Property, Plant & Equipment	17,096	20,727
Amortisation of Intangibles	4,350	-
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in trade and other receivables	98,492	18,792
Increase/(Decrease) in allowance for bad debts	-	(672)
(Increase) in other assets	(14,513)	(26,081)
Increase/(Decrease) in trade and other payables	(5,202)	(40,686)
Increase/(Decrease) in current provisions	(5,297)	6,084
Increase/(Decrease) in non current provisions	2,064	(10,266)
Net Cash (Utilised)/provided by Operating Activities	<u>43,426</u>	<u>(22,730)</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

**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	Resigned	
M. Coppel	S. Hunt	(resigned 1 Sept 2006)
R. Cunningham	K. Brennan	(resigned 1 Dec 2006)
E. Robinson	T. Green	(resigned 1 Dec )
A. Tonks	M. Lazarus-Hall	(resigned 1 June 2007)
A. Kay	S. Lorson	(resigned 1 June 2007)
C. McMaster		
C. McGovern	Appointed	
J. Nicholls	M. O'Connor	(appointed 1 Sept2006)
R. Phillips	S. Hunt	(appointed 1 Dec 2006)
A. Moon	R. Healy	(appointed 1 Dec 2006)
L. Withers	D. Ballantyne	(appointed 1 June 2007)
B. Nebenzahl	D. Daniels	(appointed 1 June 2007)

No members of the Executive Council received any remuneration.

**Related Party Transactions**

The following related party transactions occurred during the financial year:

R. Cunningham – Entertainment General Manager, Star City Casino. This entity received \$28,450 (2006: \$7,165) for the supply of accommodation and venue hire.

E. Richardson sits on the Board of Just Super Pty Ltd trustee for Just Super. In consideration of her services AEIA received \$2,800.

R. Philips – Chief Executive, Ogden IFC (Perth). This entity received \$822 (2006:\$1,020) for venue hire and meeting services.

J. Nicholls – Director, Jon Nicolls Productions Pty Ltd. This company received \$25,000 (2006:\$10,000) for services contracted as the Executive Producer of the Helpmann Awards.

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 2007**

**21. KEY MANAGEMENT PERSONEL COMPENSATION**

	<b>2007</b>	<b>2006</b>
	\$	\$
The following table discloses the aggregate of Key Management personnel compensation		
Short term employee benefits	124,178	185,428
Post employment benefits - superannuation	10,551	12,750
Termination benefits	80,924	60,000
Total remuneration	215,653	258,178

**22. CONTINGENT LIABILITIES**

AEIA maintains a security deposit of \$9,741 as part of the lease agreement of the office premises at 15-17 Queen Street, Melbourne.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION**

We have audited the accompanying financial report of The Australian Entertainment Industry Association, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

*The Responsibility of councillors for the Financial Report*

The councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the councillors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the compliance with Australian equivalents to International Financial Reporting Standards ensures that the financials, comprising the financial statements and notes complies with International Financial Reporting standards.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the councillors, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

*Auditor's 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 2007 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
- (c) the financial report also complies with International Financial Reporting standards as disclosed in Note 1.

**PKF**

PKF  
Chartered Accountants

25 October 2007  
Melbourne

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J A Mooney  
Partner

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