



Australian Government
Australian Industrial Registry

23 January 2009

Mr Andrew Kay
President
Australian Entertainment Industry Association
Level 1, 15-17 Queen St
Melbourne VIC 3000
email: aeia@aeia.org.au

cc: J A Mooney
Partner
PKF Chartered Accountants
GPO Box 5099
Melbourne VIC 3001

Dear Mr Kay

AEIA Financial Report year ended 30 June 2008: FR2008/325

I acknowledge receipt of the financial report of the Australian Entertainment Industry Association for the year ended 30 June 2008. The documents were lodged in the Industrial Registry on 30 December 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.

Documents not lodged in Registry within 14 days of meeting

As you are aware, an organisation is required under the RAO Schedule to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Australian Industrial Relations Commission website. In particular, I draw your attention to fact sheet 08 which explains the timeline requirements, and fact sheet 09 which sets out the timeline requirements in diagrammatical form, accessible at www.airc.gov.au/legislation/rao.htm.

The financial reports of the AEIA were presented to a General Meeting on 28 November 2008 but were not lodged in the Registry until 30 December 2008. In future financial years the documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented - see s268 of the RAO Schedule.

Auditor's Qualifications

In future financial years 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.

Affiliation

Point 11(b) of the Reporting Guidelines requires that if affiliations were paid to another reporting unit of the organisation then the amount and name of the reporting unit need to be disclosed. Point 11(d) of the Reporting Guidelines requires that balances for fees and periodic subscriptions in respect of affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters be disclosed in the notes unless already disclosed on the face of the profit and loss statement.

Note 5 to the financial statements contains an expense item entitled Capitation Fees or Membership Subscriptions but it is not clear if this is affiliation to another reporting unit (as required in 11(b) of the Reporting Guidelines) or an affiliation to an external party (as required in 11(d) of the Reporting Guidelines). Please provide an explanation of this item in future years.

Operating Report – Review of Principal Activities

Subsection 254(2)(a) of the RAO schedule requires an operating report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of the those activities. I note that the operating report provides a review of the principal activities and explains that there were no significant changes to those activities. I also note you report an operating result of a profit of \$23, 202. In future years, rather than a financial result, please describe the results of the activities of the organisation.

Operating Report - Specification of Period of Office of Councillors

We note that you have set out all the names of councillors in the operating report. Most are identified as being appointed on 30 November 2007. It is assumed they were re-appointed on this date as no one is specified as holding office before that date. In future years, please ensure the periods in which councilors held office are clearly stated.

Operating Report – Number of Part Time Employees

Regulation 159(b) of the RAO Schedule requires that the number of employees of the reporting unit be specified. Relevantly, part-time employees should be measured on a full-time equivalent basis. The AEIA operating report mentions that there was one part-time employee but did not specify the full-time employment equivalent. In future years please provide the full time equivalent ratio of any part-time employees.

Recovery of Wages Activity

The committee of management statement states that a financial report on recovery of wages activity has been prepared. However, there is no financial report on recovery of wages activity. If the AEIA has not undertaken any recovery of wages activity, a statement to that effect should be contained in the Committee of Management's Statement.

In future years, either a financial report on recovery of wages should be provided or the committee of management statement should indicate that none was undertaken.

Summary

Accordingly, in future years please attend to the following:

- The lodgment of the full report within 14 days of the General Meeting of Members
- Specification of auditor's qualifications

- Explanation of Capitation or Membership Subscriptions as an expense
- In the operating report:
 - describe the results of the principal activities
 - specify the full period of time in which councilors held office during the financial year
 - specify the effective full time equivalent ratio of any part time employees
- If there was no recovery of wages activity the committee of management statement should reflect this

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03 8661 7882 or by email at sam.christensen@airc.gov.au. I have also provided your auditor with a copy of this letter.

Yours sincerely,



Sam Christensen

Statutory Services Branch



15TH December 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 28 November 2008. This information was sent to members on 6th November 2008.

Yours faithfully,



Andrew Kay
President

**AUSTRALIAN ENTERTAINMENT
INDUSTRY ASSOCIATION**

ABN 43 095 907 857

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

**AUSTRALIAN ENTERTAINMENT
INDUSTRY ASSOCIATION**

Registered Office

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

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AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2008

Your councillors submit the financial report of the Australian Entertainment Industry Association for the year ended 30 June 2008.

COUNCILLORS

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

A. Collette (appointed 30/11/07)	D. Gautier (appointed 30/11/07)
M. Coppel (appointed 30/11/07)	P. Faulkes (appointed 30/11/07)
A. Tonks (appointed 30/11/07)	M. Jacobsen (appointed 30/11/07)
A. Kay (appointed 30/11/07)	G. Jones (appointed 30/11/07)
C. McGovern (appointed 30/11/07)	
J. Nicholls (appointed 30/11/07)	B. Nebenzahl (resigned 10/09/07)
R. Phillips (appointed 30/11/07)	R. Cunningham (resigned 30/11/07)
A. Moon (appointed 30/11/07)	E. Robinson (resigned 30/11/07)
M. O'Connor (appointed 30/11/07)	C. McMaster (resigned 30/11/07)
S. Hunt (appointed 30/11/07)	L. Withers (resigned 30/11/07)
R. Healy (appointed 30/11/07)	D. Daniels (resigned 31/05/08)
D. Ballantyne (appointed 30/11/07)	L. McLean (appointed 31/05/08)
D. Daniels (appointed 30/11/07)	C. McGovern (resigned 18/06/08)
R. Fitzgerald (appointed 30/11/07)	

PRINCIPAL ACTIVITIES

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

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

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

OPERATING RESULTS

The net result for the year amounted to a profit of \$23,202 (2007: \$53,564 loss).

AFTER BALANCE DATE EVENTS

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

FUTURE DEVELOPMENTS

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

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

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 (2007: \$13,358) 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 2008 the Association had 271 members (2007: 278 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 2008

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.
- g) Number of Employees 7 Full time & 1 Part time, (2007: 8 Full time)
- h) E. Richardson, the Chief Executive of AEIA, is a Director of Just Super Pty Ltd A.C.N. 006 457 996 (Just Super). AEIA received \$9,350 (2007: \$2,800) for her services to the Board of Just Super.

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

Signed in accordance with a resolution of the Councillors.



Andrew Kay
President



Sue Hunt
Vice President

5 November 2008

**AUSTRALIAN ENTERTAINMENT
INDUSTRY ASSOCIATION
EXECUTIVE COUNCIL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

In the opinion of the Councillors, the financial report as set out on pages 6 to 24:

1. Presents a true and fair view of the financial position of the Australian Entertainment Industry Association as at 30 June 2008 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 2008, 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.
3. In relation to recovery of wages activity:
 - a) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - b) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity.
4. 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.
5. The Committee of Management of AEIA passed the resolution to approve and accept the Financial Statements for the year ended 30 June 2008 on 5 November 2008.

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

5 November 2008



Sue Hunt
Vice President

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	2008 \$	2007 \$
Revenue	4	<u>1,609,087</u>	<u>1,369,535</u>
Expenses			
AEIA – Administration Expenses		(1,105,508)	(1,074,712)
Depreciation and Amortisation Expenses		(35,469)	(20,203)
Helpmann Awards		(329,908)	(328,184)
Workcover Project Expenses		(115,000)	-
	5	<u>(1,585,885)</u>	<u>(1,423,099)</u>
Profit/(Loss) before Income Tax Expense		<u>23,202</u>	<u>(53,564)</u>
Income tax expense	1(d)	<u>-</u>	<u>-</u>
Profit/(Loss) after Income Tax Expense		<u><u>23,202</u></u>	<u><u>(53,564)</u></u>

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
BALANCE SHEET AS AT 30 JUNE 2008**

	NOTES	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	6	560,585	698,892
Trade and other receivables	7	211,303	149,338
Other financial assets	8	10	10
Other	9	84,229	59,272
TOTAL CURRENT ASSETS		<u>856,127</u>	<u>907,512</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	49,697	47,161
Intangibles	11	41,280	49,750
TOTAL NON-CURRENT ASSETS		<u>90,977</u>	<u>96,911</u>
TOTAL ASSETS		<u>947,104</u>	<u>1,004,423</u>
CURRENT LIABILITIES			
Trade and other payables	12	541,765	627,532
Provisions	13	37,598	33,758
TOTAL CURRENT LIABILITIES		<u>579,363</u>	<u>661,290</u>
NON-CURRENT LIABILITIES			
Provisions	14	29,162	27,756
TOTAL NON-CURRENT LIABILITIES		<u>29,162</u>	<u>27,756</u>
TOTAL LIABILITIES		<u>608,525</u>	<u>689,046</u>
NET ASSETS		<u>338,579</u>	<u>315,377</u>
MEMBERS' EQUITY			
Retained Profits		338,579	315,377
TOTAL MEMBERS' EQUITY		<u>338,579</u>	<u>315,377</u>

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
Retained Profits at the beginning of year 1 July	315,377	368,941
Profit/(Loss) Attributable to the members	<u>23,202</u>	<u>(53,565)</u>
Retained Profits at the end of year 30 June	<u><u>338,579</u></u>	<u><u>315,376</u></u>

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	2008 \$	2007 \$
Cash Flows from Operating Activities			
Receipts from members and non members		1,380,060	1,428,884
Payments to suppliers and employees		(1,515,938)	(1,410,088)
Interest received		27,106	24,630
Net Cash (Used in)/Provided By Operating Activities	16(b)	<u>(108,772)</u>	<u>43,426</u>
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment		(20,605)	(24,320)
Payment for Intangibles		(8,930)	(52,000)
Net Cash used in Investing Activities		<u>(29,535)</u>	<u>(76,320)</u>
Net (decrease) in cash held		(138,307)	(32,894)
Cash at the beginning of the financial year		<u>698,892</u>	<u>731,786</u>
Cash at the End of the Financial Year	6,16(a)	<u><u>560,585</u></u>	<u><u>698,892</u></u>

The above Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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 Workplace Relations Act 1996.

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.

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

The following is a summary of the material accounting policies adopted by the 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) 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	18.75% - 40%
- Furniture and Fittings	18.75% - 37.5%

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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

(b) 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.

(c) Intangibles

Trademarks

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

Websites

The AEIA Members' website is initially measured at cost. Following initial recognition it is carried at cost less accumulated amortisation and any accumulated impairment losses. The useful life of the website is amortised over three years.

(d) 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.

(e) 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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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

(e) Leases (Cont'd)

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.

(f) Cash and Cash Equivalents

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

(g) 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.

(h) 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.

(i) 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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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

(i) Long Service Leave (Cont'd)

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.

(j) Allowance for Doubtful Debts

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

(k) 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.

(l) Trade and other payables

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

(m) 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.

Government grants are recognised initially as deferred income and taken to income when there is reasonable assurance that they will be received and that the Association will comply with the conditions of the grant.

(n) 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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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

(o) 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.

(p) Accounting Standards not yet effective

AEIA has applied all accounting standards that are effective at 30 June 2008. Accounting standards and amendments to Accounting Standards that have been issued, but not effective until later dates have not been applied. The Councillors believe there will be no significant impact on AEIA's accounting policies.

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

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
4. REVENUE FROM CONTINUING ACTIVITIES		
Operating Activities		
Members Subscription	439,022	426,784
Non-Members Subscription	42,299	42,353
Loose Leaf Industrial Award Update Subscription	17,774	18,140
Helpmann Awards	290,763	238,144
Entertainment Industry Service Fee	661,330	538,643
Sponsorship	-	25,000
Workcover Project Funding	115,000	-
	<u>1,566,188</u>	<u>1,289,064</u>
Non-Operating Activities		
Interest	27,106	24,630
Confederation of Australian Arts Centres and Music Foundation	-	39,123
Other	15,793	16,718
	<u>42,899</u>	<u>80,471</u>
Total Revenue	<u><u>1,609,087</u></u>	<u><u>1,369,535</u></u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

5. EXPENSES	2008	2007
	\$	\$
Expenses include the following items:		
Affiliation Fees	-	-
Auditors remuneration – Audit Services	11,675	14,500
Auditors remuneration – Other Services	-	-
Communication expenses	21,547	30,648
Computer expenses	17,422	24,342
Depreciation and Amortisation expenses	35,469	21,447
Employment Benefits paid to Employees.	598,106	652,280
Employment Benefits paid to Office Holders	-	-
Helpmann Awards expenses	329,908	328,125
Levies imposed	-	-
Grants or Donations	-	2,084
Capitation Fees or Membership Subscriptions	22,807	20,395
Subscription Fees to Political Parties or Industrial Bodies	644	-
Conference Expenses	1,268	-
Meeting Expenses - Management Council	899	2,603
Meeting Expenses - Executive Council	408	2,654
Meeting Expenses - Annual General	1,591	1,468
Meeting Expenses - Members Forums	2,560	3,676
Meeting Expenses - Other	508	1,586
Penalties	-	-
Legal Expenses	650	2,415
Insurance expenses	21,997	22,402
Membership Development	122,688	39,123
Operating lease payments	61,572	59,297
Other expenses	92,081	108,771
Printing and stationery	19,183	19,719
Travel and entertainment	90,802	65,564
Workcover Project expenses	115,000	-
Hall of Fame Website	17,100	-
	<u>1,585,885</u>	<u>1,423,099</u>

6. CASH AND CASH EQUIVALENTS

Cash at Bank	325,073	465,670
Cash at Bank – Workcover NSW	-	11,060
Cash on Hand	200	200
Car Park Deposit	592	592
Short-term Deposit	234,720	221,370
	<u>560,585</u>	<u>698,892</u>

The short term deposit matures on 21 December 2008.
The effective interest rate on the short term deposit is
7.5% (2007:6.3%)

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

7. TRADE AND OTHER RECEIVABLES (CURRENT)	2008	2007
	\$	\$
Trade debtors	216,957	163,032
Accrued revenue	-	-
	<u>216,957</u>	<u>163,032</u>
Allowance for Doubtful Debts	(5,654)	(13,694)
	<u>211,303</u>	<u>149,338</u>

Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of \$8,040 (2007: \$Nil) has been recognised by the entity in the current year.

Movements in the provision for impairment loss were as follows:

	2008	2007
	\$	\$
Opening Balance	13,694	13,694
Additional Provision	-	-
Amounts Written off	(8,040)	-
Amounts Recovered	-	-
	<u>5,654</u>	<u>13,694</u>

At 30 June, the ageing analysis of trade receivables is as follows:

	As at 30 June 2008		As at 30 June 2007	
	Gross	Allowance	Gross	Allowance
	\$	\$	\$	\$
Current	101,188	-	104,567	-
31 – 60 days	16,566	-	23,973	-
61 – 90 days	63,170	-	1,540	-
91 days and over	36,033	(5,654)	32,952	(13,694)
	<u>216,957</u>	<u>(5,654)</u>	<u>163,032</u>	<u>(13,694)</u>
Closing Balance	<u>216,957</u>	<u>(5,654)</u>	<u>163,032</u>	<u>(13,694)</u>

As at 30 June 2008 the Association had debts that were past due but not doubtful in the amount of \$110,115 (2007: \$44,771). These trade receivables comprise trade receivables that have a good debt history and are considered recoverable.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

8. OTHER FINANCIAL ASSETS (CURRENT)	2008	2007
	\$	\$
Investment in Endeavour Credit Union	<u>10</u>	<u>10</u>
9. OTHER (CURRENT)		
Prepayments	<u>84,229</u>	<u>59,272</u>
10. PROPERTY, PLANT AND EQUIPMENT		
Office Equipment - At Cost	168,584	186,674
Less: Accumulated Depreciation	<u>(125,659)</u>	<u>(147,854)</u>
	42,925	38,820
Furniture and Fittings - At Cost	12,833	12,833
Less: Accumulated Depreciation	<u>(6,061)</u>	<u>(4,492)</u>
	6,772	8,341
Total Property, Plant & Equipment	181,417	199,507
Total Accumulated Depreciation	<u>(131,720)</u>	<u>(152,346)</u>
	<u>49,697</u>	<u>47,161</u>

	Opening Written Down Value \$	Additions \$	Depreciation and Amortisation \$	Disposals \$	Closing Written Down Value \$
Office Equipment	38,820	20,605	(16,500)	-	42,925
Furniture and Fittings	8,341	-	(1,569)	-	6,772
	<u>47,161</u>	<u>20,605</u>	<u>(18,069)</u>	<u>-</u>	<u>49,697</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

11. INTANGIBLES	2008	2007
	\$	\$
Trademarks – At Cost	4,630	2,100
Website – At Cost	58,400	52,000
Less : Accumulated Amortisation - Website	(21,750)	(4,350)
	<u>41,280</u>	<u>49,750</u>

	Opening Written Down Value	Additions	Depreciation and Amortisation	Disposals	Closing Written Down Value
	\$	\$	\$	\$	\$
Trademarks	2,100	2,530	-	-	4,630
Web site	47,650	6,400	(17,400)	-	36,650
	<u>49,750</u>	<u>8,930</u>	<u>(17,400)</u>		<u>41,280</u>

	2008	2007
	\$	\$
12. TRADE AND OTHER PAYABLES		
Non Interest Bearing		
Trade Creditors	216,359	221,099
Accruals	12,000	11,100
Subscriptions in Advance	31,627	218,266
Income in Advance –Helpmann's Sponsorship & Confederation of Australian Arts	281,779	167,500
Unexpended Workcover NSW Funding	-	9,667
	<u>541,765</u>	<u>627,532</u>
13. PROVISIONS (CURRENT)		
Non Interest Bearing		
Annual Leave	29,906	33,758
Long Service Leave	7,692	-
	<u>37,598</u>	<u>33,758</u>
14. PROVISIONS (NON-CURRENT)		
Non Interest Bearing		
Long Service Leave	<u>29,162</u>	<u>27,756</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
15. EXPENDITURE COMMITMENTS		
Non-Cancellable Operating Leases Payable: Premises Rental		
Payable no later than one year	69,575	55,952
Payable later than one year but not later than five years	108,634	211,430
	<u>178,209</u>	<u>267,381</u>
16. 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	325,865	486,992
Short Term Deposit	234,720	211,900
	<u>560,585</u>	<u>698,892</u>
(b) Reconciliation of net cash provided by operating activities to profit after income tax		
Profit/(Loss) after Income Tax	23,202	(53,564)
Depreciation of Property, Plant & Equipment	18,069	17,096
Amortisation of Intangibles	17,400	4,350
Changes in Assets and Liabilities		
(Increase)/Decrease in trade and other receivables	(53,925)	98,492
(Decrease) in allowance for bad debts	(8,040)	-
(Increase) in other assets	(24,957)	(14,513)
(Decrease) in trade and other payables	(85,767)	(5,202)
(Decrease) in current provisions	(3,852)	(5,297)
Increase in non current provisions	9,098	2,064
Net Cash (Used in)/provided by Operating Activities	<u>(108,772)</u>	<u>43,426</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

17. EXECUTIVE COUNCIL

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

A. Collette	Resigned:
M. Coppel	R. Cunningham (resigned 30 Nov 2007)
A. Tonks	E. Robinson (resigned 30 Nov 2007)
A. Kay	C. McMaster (resigned 30 Nov 2007)
J. Nicholls	L. Withers (resigned 30 Nov 2007)
R. Phillips	B. Nebenzahl (resigned 10 Sept 2007)
A. Moon	D. Daniels (resigned 31 May 2008)
R. Fitzgerald	C. McGovern (resigned 18 June 2008)
D. Gautier	
P. Faulkes	Appointed:
M. Jacobsen	L. McLean (appointed 31 May 2008)
G. Jones	
M. O'Connor	
S. Hunt	
R. Healy	
D. Ballantyne	

No members of the Executive Council received any remuneration for services as Executive Councillors.

Related Party Transactions

The following related party transactions occurred during the financial year:

R. Cunningham – Entertainment General Manager, Star City Casino. This entity received \$10,554 (2007: \$28,450) for the supply of accommodation and venue hire.

E. Richardson – Chief Executive of AEIA sits on the Board of Just Super Pty Ltd trustee for Just Super. In consideration of her services AEIA received \$9,350 (2007: \$2,800).

J Nicholls – Director, Jon Nicholls Productions Pty Ltd. This company received \$66,000 (2008 Helpmann's \$33,000 and 2007 Helpmann's \$33,000), (2007: \$25,000 2006 Helpmann's) for services contracted as the Executive Producer of the Helpmann Awards.

R. Healy – Director, Sydney Opera House. This entity received \$1,750 (2007: Nil) for venue hire.

A. Moon – Executive, Victorian Arts Centre Trust. This entity received \$150 (2007: Nil) for parking charges.

L. McLean – Director, Tinderbox Productions Pty Ltd. This entity received \$25,850 (2008 Helpmann's \$20,350 and 2007 Helpmann's \$5,500) contracted as the Associate Producer of the Helpmann Awards.

The above transactions were on normal commercial terms and conditions.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

18. KEY MANAGEMENT PERSONNEL COMPENSATION

	2008 \$	2007 \$
The following table discloses the aggregate of Key Management personnel compensation:		
Short term employee benefits	144,107	124,178
Post employment benefits - superannuation	12,080	10,551
Termination benefits	-	80,924
Total remuneration	<u>156,187</u>	<u>215,653</u>

19. CONTINGENT LIABILITIES

AEIA maintains a security deposit of \$9,470 as part of the lease agreement of the office premises at 15-17 Queen Street, Melbourne.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

The Association holds the following financial instruments:

	2008 \$	2007 \$
Financial Assets		
Cash and cash equivalents	560,585	698,892
Trade and other receivables	211,303	149,338
Total Financial Assets	<u>771,888</u>	<u>848,230</u>
Financial Liabilities		
Trade and other payables	541,765	627,532
Total Financial Liabilities	<u>541,765</u>	<u>627,532</u>
Net exposure	<u>230,123</u>	<u>220,698</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

RISK EXPOSURE AND RESPONSES

Interest rate risk

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

Credit risk

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

The Association trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the entity's policy to securitise its trade and other receivables. It is the Association's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

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

Price risk

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

Liquidity Risk

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Maturities of financial liabilities

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

Year ended 30 June 2008	< 6 months \$	6 – 12 months \$	1 – 5 years \$	> 5 years \$	Total \$
Financial assets					
Bank	560,585	-	-	-	560,585
Trade and other receivables	211,303	-	-	-	211,303
	771,888	-	-	-	771,888
Financial liabilities					
Trade and other payables	541,765	-	-	-	541,765
	541,765	-	-	-	541,765
Net maturity	230,123	-	-	-	230,123



Chartered Accountants
& Business Advisers

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 2008, 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.

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 2008 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, Schedule 1, Chapter 8, Part 3 – Accounts and Audit; and
- (b) other mandatory financial reporting requirements in Australia

PKF
Chartered Accountants

J A Mooney
Partner

5 November 2008
Melbourne

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TO THE MEMBERS OF THE AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION**

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PKF
East Coast Practice

5 November 2008
Melbourne

J A Mooney
Partner

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