



FAIR WORK
AUSTRALIA

7 January 2010

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

cc: J A Mooney
Partner PFK Chartered Accountants
GPO Box 5099
Melbourne VIC 3001
By email: james_mooney@pkf.com.au

Dear Mr Kay

Re: Financial Report of the Australian Entertainment Industry Association for the year ended 30 June 2009 (FR2009/10090)

I acknowledge receipt of the financial report of the Australian Entertainment Industry Association (AEIA) for the year ended 30 June 2009. I also acknowledge receipt of your declaration dated 4 December 2009 providing information in accordance with s233 (1) of the *Fair Work (Registered Organisations Act) 2009* (the annual return). The documents were lodged with Fair Work Australia on 14 December 2009.

This correspondence only deals with the financial report. Separate correspondence regarding the annual return will be sent shortly.

The financial report has now been filed. However, 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.

1. Scope of the Auditor's report

[Subsection 253\(2\) of the Fair Work \(Registered Organisations Act\) 2009](#) [RO Act] prescribes the components of a general purpose financial report (GPFR) for organisations registered under the RO Act. In addition to the financial statements and the notes, the Committee of Management Statement is part of the GPFR ([paragraph 253\(2\)\(c\)](#) and item 24 of the [Reporting Guidelines](#)). In future years please ensure that the scope of the auditor's report includes the Committee of Management statement.

2. Committee of Management Statement – date of resolution regarding required declarations

Point 5 in the Committee of Management Statement lodged by the AEIA declares that a resolution was passed on 23 October 2009 to approve and accept the Financial Statements. While it is acceptable to declare that the financial statements were approved and accepted, it does not satisfy item 26(b) of the [Reporting Guidelines](#). Item 26(b) requires the committee of management statement to specify the date of passage of a resolution regarding the required declarations (the required declarations are set out in item 25). The concluding sentence of the Statement declares that the 'statement is made in accordance with a resolution of the Councillors...'. It is the date of this resolution that needs to be specified.

In future years please ensure that the Committee of Management Statement specifies the date of passage of the resolution regarding the required declarations. In order to facilitate this I have attached a sample Committee of Management Statement.

3. Committee of Management Statement – required declarations

Item 25(c) of the [Reporting Guidelines](#) requires the committee of management statement to include a declaration as to whether the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the AEIA. Point 1 of the Committee of Management Statement lodged by the AEIA declares that the financial report gives a true and fair view of the financial position and performance, but omits any reference to cash flows. In future years please ensure that the Committee of Management Statement provides a declaration as to whether the financial statements and notes give a true and view of the cash flows of the AEIA for the financial year to which they relate.

4. Operating Report – results of the principal activities

[Subsection 254\(2\)\(a\) of the RO Act](#) requires an operating report to contain a review of the principal activities of the reporting unit, *the results of those activities* (my emphasis) and any significant changes in the nature of those activities. I note that the Operating Report lodged by the AEIA provides a review of the principal activities and changes to them, but does not describe the results of those activities. Although the Operating Report provides a statement regarding the operating results, it is the view of this office that subsection 254(2)(a) requires a descriptive review of the results of the principal activities, not an operating (financial) result. Please ensure that future operating reports provide such a description.

5. Operating Report – significant changes in financial affairs

[Subsection 254\(2\)\(b\) of the RO Act](#) requires an operating report to give details of any significant changes in the financial affairs of the AEIA during the year. As no details were provided in the Operating Report lodged, I assume that there were no significant changes. In future years if there were no significant changes in the financial affairs of the AEIA during the financial year, then this should be explicitly stated.

6. Operating Report – resignation rule, number of employees and superannuation Director

The Operating Report lodged reads as though points (h) and (g) are part of the resignation rule 9, but common sense indicates that they are not. For the sake of clarity it might be useful to remove the (h) and (g) preceding the information about the number of employees and the superannuation Director in any future operating reports.

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 can be contacted on 03 86617929 or by email at eve.anderson@fwa.gov.au. I have also sent a copy of this letter to your auditor.

Yours sincerely



Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 86617929

Email: eve.anderson@fwa.gov.au

Sample Committee Of Management Statement

On ____/____/____ [date of meeting] the Committee of Management of _____ [name of reporting unit] passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended ____/____/____ [date]:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the *Fair Work (Registered Organisations) Regulations 2009*; and
 - #(iv) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been* furnished to the member or General Manager; and
 - #(v) there has been* compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the *Fair Work (Registered Organisations) Act 2009*.

Name: _____ [name of designated officer per section 243 of the *Fair Work (Registered Organisations) Act 2009*]

For the Committee of Management of _____ [name of reporting unit]

Title of Office held: _____

Signature: _____

Date: _____

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by Fair Work Australia under section 273 of the *Fair Work (Registered Organisations) Act 2009* during the period."

4TH December 2009

Industrial Registrar
Fair Work Australia
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 4th December 2009. This information was sent to members on 11th November 2009.

Yours faithfully,



Andrew Kay
President

Financials

Financial Report For The Year Ended 30 June 2009

Australian Entertainment Industry Association
ABN 43 095 907 857
Registered Office - Level 1
15-17 Queen Street, Melbourne VIC 3000

Councillors' Report For The Year Ended 30 June 2009

Councillors

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

D. Ballantyne (appointed 30/11/07) *
A. Collette (appointed 30/11/07) *
M. Coppel (appointed 30/11/07) *
P. Foulkes (appointed 30/11/07) *
R. Fitzgerald (appointed 30/11/07) *
D. Gautier (appointed 30/11/07) *
R. Healy (appointed 30/11/07) *
S. Hunt (appointed 30/11/07) *
G. Jones (appointed 30/11/07) *
A. Kay (appointed 30/11/07) *
L. McLean (appointed 31/05/08) *
A. Moon (appointed 30/11/07) *
J. Nicholls (appointed 30/11/07) *
M. O'Connor (appointed 30/11/07) *
R. Phillips (appointed 30/11/07) *
A. Tonks (appointed 30/11/07) *
B. Henderson (appointed 2/09/08)
M. Jacobsen (resigned 2/05/09)
J. Kotzas (appointed 19/06/09)

*All held office for the full Financial Year

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.
- In 2009 AEIA undertook five new initiatives. These included: review of governance structure; introduction of a Producers Development Program to support practical training and mentoring opportunities for individuals to make the transition to Producers; hosting its first international networking event in New York for members and LPA member's business associates; completion of a report on the economic size and scope of Australia's live performance industry; and submissions to the Australian Industrial Relations Commission as part of the award modernization process.

There are no other 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 \$4,182 (2008: \$23,202).

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.

Indemnifying Officers, Executives or Auditors

The Association has obtained insurance in respect of councillors, officers and executives against all liabilities to other persons that may arise from their positions as councillors, officers or executives. A premium of \$14,353 (2008: \$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 2009 the Association had 292 members (2008: 271 members).

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

Under AEIA's Rules – Rule 9 Retirement and expulsion of members:

- a) A member may resign from membership of the Association by written notice addressed and delivered to the Chief Executive.
- b) A notice of resignation from membership shall take effect:
 - (i) where a member ceases to be eligible to become a member of the Association:
 - (1) on the day on which the notice is received by the Association; or
 - (2) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

- (ii) in any other case:

- (1) at the end of two weeks after the notice is received by the Association; or
- (2) on the day specified in the notice;

whichever is later.

- c) Any dues payable but not paid by a former member in relation to a period before such resignation takes effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
- d) A notice delivered to the Chief Executive in accordance with subsection (a) of this Rule shall be taken to have been received by the Association when it was delivered.
- 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.

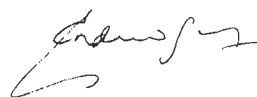
f) A resignation from membership of the Association is valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

g) Number of Employees 8 Full time & 1 Part time (equivalent to 0.8 full time), (2008: 7 Full time & 1 Part time)

h) E. Richardson, the Chief Executive of AEIA, is a Director of Media Super ABN. 30 059 502 948. AEIA received \$10,800 (2008: \$9,350) for her services on the Board of Media 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



Ann Tonks
Vice President

23 October 2009

Executive Council Statement for the Year Ended 30 June 2009

In the opinion of the Councillors, the financial report as set out on pages 6 to 25:

1. Presents a true and fair view of the financial position of the Australian Entertainment Industry Association as at 30 June 2009 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 2009, 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) in accordance with the requirements of the reporting guidelines of the Industrial Registrar there was no recovery of wage activities in this financial year; and
 - b) prior to engaging in any recovery of wages activity, the organisation will disclose 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 2009 on 23 October 2009.

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



Ann Tonks
Vice President

23 October 2009

Income Statement for the Year Ended 30 June 2009

	Notes	2009 (\$)	2008 (\$)
Revenue	4	1,713,296	1,609,087
Expenses			
AEIA – Administration expenses		(1,299,295)	(1,105,508)
Depreciation and Amortisation Expenses		(36,147)	(35,469)
Helpmann Awards		(373,672)	(329,908)
Workcover Project Expenses		-	(115,000)
	5	(1,709,114)	(1,585,885)
Profit before Income Tax expense		4,182	23,202
Income tax expense	1(d)	-	-
Profit after Income Tax Expense		4,182	23,202

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

Balance Sheet as at 30 June 2009

	Notes	2009 (\$)	2008 (\$)
Current Assets			
Cash and cash equivalents	6	653,926	560,585
Trade and other receivables	7	210,548	211,303
Other financial assets	8	10	10
Other	9	64,955	84,229
Total Current Assets		929,439	856,127
Non-Current Assets			
Property, Plant and Equipment	10	46,896	49,697
Intangibles	11	25,310	41,280
Total Non-Current Assets		72,206	90,977
Total Assets		1,001,645	947,104
Current Liabilities			
Trade and other payables	12	569,681	541,765
Provisions	13	85,358	37,598
Total Current Liabilities		655,039	579,363
Non-Current Liabilities			
Provisions	14	3,845	29,162
Total Non-Current Liabilities		3,845	29,162
Total Liabilities		658,884	608,525
Net Assets		342,761	338,579
MEMBERS' EQUITY			
Retained Profits		342,761	338,579
TOTAL MEMBERS' EQUITY		342,761	338,579

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

Statement of Changes in Equity for the Year Ended 30 June 2009

	2009 (\$)	2008 (\$)
Retained Profits at the beginning of year 1 July	338,579	315,377
Profit Attributable to the members	4,182	23,202
Retained Profits at the end of year 30 June	<u>342,761</u>	<u>338,579</u>

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

Cash Flow Statement for the Year Ended 30 June 2009

	Notes	2009 (\$)	2008 (\$)
Cash Flows from Operating Activities			
Receipts from members and non members		1,601,596	1,380,060
Payments to suppliers and employees		(1,487,680)	(1,515,938)
Interest received		26,332	27,106
Net Cash Provided By/(Used In) Operating Activities	16(b)	140,248	(108,772)
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment		(17,376)	(20,605)
Payment for Intangibles		-	(8,930)
Net Cash Used In Investing Activities		(17,376)	(29,538)
Net Increase/(Decrease) in cash held		93,341	(138,307)
Cash at the beginning of the financial year		560,585	698,892
Cash at the End of the Financial Year	6,16(a)	653,926	560,585

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

Notes to the Financial Statements for the Year Ended 30 June 2009

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%

(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 the assets employment 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.

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.

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 July 1 each year and income is recognised in equal monthly instalments over the twelve month period.

Government grants are recognised initially as deferred income and recorded 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 Association 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.

(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 2009. 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 or 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.

4. Revenue From Continuing Activities

	2009 (\$)	2008 (\$)
Operating Activities		
Members Subscription	321,323	439,022
Non-Members Subscription	26,176	42,299
Loose Leaf Industrial Award Update Subscription	17,715	17,774
Helpmann Awards	370,848	290,763
Industry Service Fee	805,534	661,330
Immigration Service Fee	60,000	-
Workcover Project Funding	-	115,000
	<u>1,601,596</u>	<u>1,566,188</u>
Non-Operating Activities		
Interest	26,332	27,106
Confederation of Australian Arts Centres and Music Foundation	58,684	
Other	26,684	15,793
	<u>111,700</u>	<u>42,899</u>
Total Revenue	<u>1,713,296</u>	<u>1,609,087</u>

5. Expenses

	2009 (\$)	2008 (\$)
Expenses include the following items:		
Affiliation Fees	-	-
Auditors remuneration – Audit Services	9,018	11,675
Auditors remuneration – Other Services	-	-
Communication Expenses	37,453	21,547
Computer Expenses	17,575	17,422
Depreciation and Amortisation expenses	36,147	35,469
Employment Benefits paid to Employees	685,306	598,106
Employment Benefits paid to Office Holders	-	-
Helpmann Awards Expenses	373,672	329,908
Levies Imposed	-	-
Grants or Donations	-	-
Capitation Fees or Membership Subscriptions (Aust Chamber Commerce \$8,528, CCH \$8,528 & other performing Arts related publications under \$1,000)	27,572	22,807
Subscription Fees to Political Parties or Industrial Bodies	-	644
Conference Expenses	6,126	1,268
Meeting Expenses - Management Council	828	899
Meeting Expenses - Executive Council	2,258	408
Meeting Expenses - Annual General	2,704	1,591
Meeting Expenses - Members Forums	4,239	2,560
Meeting Expenses - Other	5,930	508
Penalties	-	-
Legal Expenses	5,226	650
Insurance Expenses	19,548	21,997
Membership Development	170,763	122,688
Operating Lease Payments	63,169	61,572
Other Expenses	123,165	92,081
Printing and Stationery	9,633	19,183
Travel and Entertainment	96,450	90,802
Workcover Project Expenses	-	115,000
Hall of Fame Website	-	17,100
Doubtful Debts	12,332	-
	<u>1,709,114</u>	<u>1,585,885</u>

6. Cash and Cash Equivalents

	2009 (\$)	2008 (\$)
Cash at Bank	400,944	325,073
Cash on Hand	200	200
Car Park Deposit	592	592
Short-term Deposit	252,190	234,720
	<u>653,926</u>	<u>560,585</u>
The short term deposit matures on 21 December 2009.		
The effective interest rate on the short term deposit is 4.55% (2008: 7.5%).		

7. Trade and Other Receivables (Current)

	2009 (\$)	2008 (\$)
Trade Debtors	224,548	216,957
Allowance for Doubtful Debts	(14,000)	(5,654)
	<u>210,548</u>	<u>211,303</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 \$3,986 (2008: \$8,040) has been recognised by the entity in the current year.

Movements in the provision for impairment loss were as follows:

	2009 (\$)	2008 (\$)
Opening Balance	5,654	13,694
Additional Provision	12,332	-
Amounts Written off	(3,986)	(8,040)
Amounts Recovered	-	-
Closing Balance	<u>14,000</u>	<u>5,654</u>

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

	As at 30 June 2009		As at 30 June 2008	
	Gross (\$)	Allowance (\$)	Gross (\$)	Allowance (\$)
Current	142,972	-	101,188	-
31 – 60 days	38,933	-	16,566	-
61 – 90 days	17,568	-	63,170	-
91 days and over	25,074	(14,000)	36,033	(5,654)
Closing Balance	224,548	(14,000)	216,957	(5,654)

As at 30 June 2009 the Association had debts that were past due but not doubtful in the amount of \$68,341 (2008: \$110,115). These trade receivables comprise trade receivables that have a reasonable paying history and are considered recoverable.

The Association also had debts that were past due and are recognised as doubtful so the provision has been increased to provide for those debtors \$13,234 (2008: Nil).

8. Other Financial Assets (Current)

	2009 (\$)	2008 (\$)
Investment in Endeavour Credit Union	10	10

9. Other (Current)

	2009 (\$)	2008 (\$)
Prepayments	64,955	84,229

10. Property, Plant and Equipment

	2009 (\$)	2008 (\$)
Office Equipment - At Cost	82,358	168,584
Less: Accumulated Depreciation	(42,881)	(125,659)
	39,479	42,925
Furniture and Fittings - At Cost	13,827	12,833
Less: Accumulated Depreciation	(6,408)	(6,061)
	7,419	6,772
Total Property, Plant & Equipment	96,185	181,417
Total Accumulated Depreciation	(49,289)	(131,720)
	46,896	49,697

	Opening Written Down Value (\$)	Additions	Depreciation and Amortisation	Transfers (\$)	Closing Written Down Value (\$)
Office Equipment	42,925	13,400	(18,542)	1,694	39,477
Furniture and Fittings	6,772	3,976	(1,635)	(1,694)	7,419
	49,697	17,376	(20,177)	-	46,896

11. Intangibles

	2009 (\$)	2008 (\$)
Trademarks – At Cost	4,630	4,630
Website – At Cost	58,400	58,400
Less : Accumulated Amortisation - Website	(37,720)	(21,750)
	25,310	41,280

	Opening Written Down Value (\$)	Additions (\$)	Depreciation & Amortisation (\$)	Disposals (\$)	Closing Written Down Value (\$)
Trademarks	4,630	-	-	-	4,630
Website	36,650	-	(15,970)	-	20,680
	41,280	-	(15,970)	-	25,310

12. Trade and Other Payables

	2009 (\$)	2008 (\$)
Non Interest Bearing		
Trade Creditors	243,365	206,579
Accruals	10,250	12,000
Subscriptions in Advance	-	31,627
Income in Advance -Helpmann's Sponsorship	316,066	281,779
	569,681	531,985

13. Provisions (Current)

	2009 (\$)	2008 (\$)
Non Interest Bearing		
Annual Leave	37,181	34,287
Long Service Leave	48,177	8,819
	85,358	43,106

14. Provisions (Non - Current)

	2009 (\$)	2008 (\$)
Non Interest Bearing		
Long Service Leave	3,845	33,434

15. Expenditure Commitments

	2009 (\$)	2008 (\$)
Non-Cancellable Operating Leases Payable: Premises Rental		
Payable no later than one year	66,588	69,575
Payable later than one year but not later than five years	33,866	108,634
	<u>100,454</u>	<u>178,209</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	401,144	325,865
Short Term Deposit	252,782	234,720
	<u>653,926</u>	<u>560,585</u>

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

Profit after Income Tax	4,182	23,202
Depreciation of Property, Plant & Equipment	20,177	18,069
Amortisation of Intangibles	15,970	17,400
Changes in Assets and Liabilities		
(Increase) in trade and other receivables	(7,591)	(53,925)
Increase/(Decrease) in allowance for bad debts	8,346	(8,040)
Decrease/(Increase) in other assets	19,275	(24,957)
Increase/(Decrease) in trade and other payables	27,916	(85,767)
Increase/(Decrease) in current provisions	47,760	(3,852)
Increase in non current provisions	4,213	9,098
Net Cash Provided By/(Used In) Operating Activities	<u>140,248</u>	<u>(108,772)</u>

17. Executive Council

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

D. Ballantyne
A. Collette
M. Coppel
P. Foulkes
R. Fitzgerald
D. Gautier
R. Healy
S. Hunt
G. Jones
A. Kay
L. McLean
A. Moon
J. Nicholls
M. O'Connor
R. Phillips
A. Tonks

Resigned:

M. Jacobsen (resigned 2 May 2009)

Appointed:

B. Henderson (appointed 2 September 2008)
J. Kotzas (appointed 19 June 2009)

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:

E. Richardson – Chief Executive of AEIA sits on the Board of Media Super. In consideration of her services AEIA received \$10,800 (2008: \$9,350).

J Nicholls – Managing Director, Jon Nicholls Productions Pty Ltd. This company received \$34,577, (2008: \$66,000) for services contracted as the Executive Producer of the Helpmann Awards.

R. Healy – Director Performing Arts, Sydney Opera House. This entity received \$3,260 (2008: \$1,750) for venue hire.

A. Moon – Executive, Victorian Arts Centre Trust. This entity received \$3,484 (2008: \$150) for parking charges and venue hire.

L. McLean – Director, Tinderbox Productions Pty Ltd. This entity received \$27,166 (2008: \$25,850) for services contracted as the Associate Producer of the Helpmann Awards.

D. Gautier – CEO/Artistic Director, Adelaide Festival Centre. This entity received \$318 (2008: Nil) for venue hire.

R. Phillips – Chief Executive, AEG Ogden (Perth) Pty Ltd. This entity received \$460 (2008: Nil) for venue hire.

S. Hunt – Chief Executive Officer, CarriageWorks. This entity received \$74 (2008: Nil) for reimbursement of expenses.

A.Collette – Chief Executive, Opera Australia. This entity received \$480 (2008: Nil) for reimbursement of expenses.

B. Henderson – Entertainment Services Manager, Star City Casino. This entity received \$27,816 (2008: \$10,554) for the supply of accommodation and venue hire.

R. Fitzgerald – General Manager, Her Majesty's Theatre. This entity received \$2,036 (2008: Nil) for venue hire.

The above transactions were on normal commercial terms and conditions.

18. Key Management Personnel Compensation

The following table discloses the aggregate of Key Management personnel compensation:

	2009 (\$)	2008 (\$)
Short term employee benefits	154,391	144,107
Post employment benefits - superannuation	19,910	12,080
Termination benefits	-	-
Total remuneration	174,301	156,187

19. Contingent Liabilities

AEIA maintains a security deposit of \$10,000 as part of the lease agreement of the office premises at 15-17 Queen Street, Melbourne.

18. 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:

	2009 (\$)	2008 (\$)
Financial Assets		
Cash and cash equivalents	653,926	560,585
Trade and other receivables	210,548	211,303
Total Financial Assets	864,474	771,888
Financial Liabilities		
Trade and other payables	569,681	541,765
Total Financial Liabilities	569,681	541,765
Net exposure	294,793	230,123

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.

Maturities of financial assets and 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 2009	< 6 months (\$)	6-12 months (\$)	1 - 5 years(\$)	> 5 years (\$)	Total (\$)
Financial assets					
Bank	653,926	-	-	-	653,926
Trade and other receivables	210,548	-	-	-	210,548
	864,474	-	-	-	864,474
Financial liabilities					
Trade and other payables	569,681	-	-	-	569,681
	569,681	-	-	-	569,681
Net maturity	294,793	-	-	-	294,793

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

PKF

Chartered Accountants
& Business Advisers

We have audited the accompanying financial report of The Australian Entertainment Industry Association, which comprises the balance sheet as at 30 June 2009, 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 2009 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

23 October 2009
Melbourne

J A Mooney
Partner
Registered Company Auditor # 311052

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