



FAIR WORK
AUSTRALIA

30 March 2011

Mr Andrew Kay
President
Australian Entertainment Industry Association

email: info@liveperformance.com.au

Dear Mr Kay

Re: Financial Report for the Australian Entertainment Industry Association for year ended 30 June 2010 – FR2010/2716

I acknowledge receipt of a copy of the signed operating report and Committee of Management statement for the financial report of the Australian Entertainment Industry Association (the Association) for the year ended 30 June 2010. The copies of the documents were lodged with Fair Work Australia (FWA) on 23 March 2011 in response to correspondence of FWA dated 9 February 2011.

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.

Timing of Financial Documents - Lodgement of documents with Fair Work Australia

[Section 268](#) of the *Fair Work (Registered Organisations) Act 2009* (the Act) requires the Association to lodge its financial documents with FWA within 14 days of the date of the General Meeting of Members at which they were presented (that is, 16 December 2010). The documents were not lodged with FWA until 14 January 2011. In future years please ensure that financial reports are lodged with FWA within 14 days of the General Meeting of Members.

Disclaimer in Auditor's report

The Auditor's Report contains the following statement which, on its face, seems to be a disclaimer for a special purpose financial report (ASA 800 for financial reporting periods commencing on or after 1 July 2006):

The financial report has been prepared for distribution to members. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

However, the notes to the financial statements specifically identify the report as a *general purpose financial report* (as required under [section 253](#) of the Act). The purpose of the financial report is therefore *general* and the auditor is therefore required to provide a report in accordance with ASA 700 (not ASA 800). Please ensure the appropriate auditing standard is applied in future years.

Operating Report

Operating Result

I refer to the Operating Report, in particular to the 'Operating Results'. I note that subsection 254(2)(a) of the Act requires the operating report to include a review of the principal activities of the reporting entity, the results of those activities and any significant changes in the nature of those activities.

The 'significant changes' requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entities financial result, particularly measured in dollar 'surplus' or 'loss' terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or income statement.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

Your Councillors submit the financial report of the Australian Entertainment Industry Association for the year ended 30 June 2010.

COUNCILLORS

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

T. Brookman (appointed 4/12/09) +	R. Phillips (appointed 4/12/09) *
B. Carmichael (appointed 4/12/09) +	R. Rigby (appointed 4/12/09) +
A. Collette (appointed 4/12/09) *	A. Tonks (appointed 4/12/09) *
M. Coppel (appointed 4/12/09) *	
P. Foulkes (appointed 4/12/09) *	D. Ballantyne (resigned AGM 4/12/09) #
D. Gautier (appointed 4/12/09) *	R. Fitzgerald (resigned AGM 4/12/09) #
R. Healy (appointed 4/12/09) *	B. Henderson (resigned AGM 4/12/09) #
A. Kay (appointed 4/12/09) *	J. Nicholls (resigned AGM 4/12/09) #
J. Kotzas (appointed 4/12/09) *	G. Jones (resigned 5/03/10)
M. Lazarus-Hall (appointed 4/12/09) +	S. Hunt (resigned 4/06/10)
L. McLean (appointed 4/12/09) *	
A. Moon (appointed 4/12/09) *	M. Barker (appointed 11/06/10)
M. O'Connor (appointed 4/12/09) *	P. Prendergast (appointed 11/06/10)

*All held office for the full Financial Year
+ Held Office since AGM 4/12/09

Held Office from 1/07/09 to AGM 4/12/09

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 industry related issues.
- In 2010 AEIA undertook five new initiatives. These include: review of the industry protocol for the treatment of advance ticket monies within the revised Code of Practice for the Ticketing of Live Entertainment in Australia; establishment of a Venue Infrastructure Taskforce; expansion of the Producer Development Program to Brisbane and Hobart; and launch of the Size and Scope of the Live Entertainment Industry Report nationally.
- These major initiatives have resulted in;
 - ♦ Increased membership, particularly emerging producers and promoters who require industrial relations, immigration and business support
 - ♦ Increased awareness amongst members following our National Roadshow on the new Fair Work Act and changes to workplace relations environment
 - ♦ Successful negotiation of agreements on behalf of producers and performing arts' companies
 - ♦ Implementation of the revised Code of Practice for the Ticketing of Live Entertainment in Australia nationally. The Code has been provided to all levels of Government and the broader Industry; compliance is mandatory for all AEIA members
 - ♦ Review of infrastructure (venue) requirements in Sydney and commissioning of a business case, being prepared by Ernst and Young, to be presented to NSW Government

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2010

- ♦ Four major Producers Workshops hosted in Sydney, Brisbane, Hobart and Melbourne plus two morning seminars in Sydney and Melbourne
- ♦ Public release of the Size and Scope of the Live Entertainment Industry report which received national media coverage.

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 \$4,039 (2009: \$4,182).

There have been no significant changes in the financial affairs of the association.

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 \$12,098 (2009: \$10,585) 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 2010 the Association had 346 members (2009: 292 members).

Under section 174 of the *Fair Work (Registered Organisations) Act 2009* 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:

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2010

MEMBERSHIP (CONT'D)

- 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.

PERSONNEL

Number of Employees 8 Full time & 1 Part time (equivalent to 0.8 full time), (2009: 8 Full time & 1 Part time)

E. Richardson, the Chief Executive of AEIA, was a Director of Media Super ABN. 30 059 502 948. AEIA received \$10,800 (2009: \$10,800) for her services on the Board of Media Super. Resigned 30 June 2010.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2010

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

22 October 2010

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

EXECUTIVE COUNCIL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

In the opinion of the Councillors, the financial report as set out on pages 7 to 26:

1. Presents a true and fair view of the financial performance, financial position and cash flows of the Australian Entertainment Industry Association as at 30 June 2010 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 2010, 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 *Fair Work (Registered Organisation) Act 2009*; 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 *Fair Work (Registered Organisations) Act 2009*, 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 2010 on 22 October 2010.

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

22 October 2010



FAIR WORK
AUSTRALIA

9 February 2011

Mr Andrew Kay
President
Australian Entertainment Industry Association

email: aeia@aeia.org.au

Dear Mr Kay

Re: Financial Report for the Australian Entertainment Industry Association for year ended 30 June 2010 – FR2010/2716

I acknowledge receipt of the financial report for the Australian Entertainment Industry Association (the Association) for the year ended 30 June 2010. The report was lodged with Fair Work Australia on 14 January 2011.

The financial report has not been filed.

The following matters require your attention before any action can be taken to file the above report.

Signed Documentation

The above report contained an Executive Council Statement (Committee of Management Statement) and Councillors' Report (Operating Report) which were not signed by a designated officer of the Association. Item 26(c) of the General Manager's Reporting Guidelines (the guidelines) requires that the Committee of Management statement be signed by a designated officer within the meaning of section 243 of the Fair Work (Registered Organisations) Act 2009 (the Act). Also, although there is no requirement under the Act or guidelines for the Operating Report to be signed, it is preferred that this report is also signed.

Could the Association provide signed copies of these documents.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au



7TH January 2010

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 herewith are copies of the full report, the Financial Report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full Financial Report and Auditors' Report, was provided to the members on 8th November 2010; and
- that the full Financial Report and Auditors' Report was presented at the Annual General Meeting on 2nd December 2010; in accordance with section 266 of the Fair Work (Registered Organisation) Act 2009.


Andrew Kay
President

**AUSTRALIAN ENTERTAINMENT
INDUSTRY ASSOCIATION**

ABN 43 095 907 857

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2010

**AUSTRALIAN ENTERTAINMENT
INDUSTRY ASSOCIATION**

Registered Office

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

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AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

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*All held office for the full Financial Year
+ Held Office since AGM 4/12/09

Held Office from 1/07/09 to AGM 4/12/09

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 industry related issues.
- ♦ In 2010 AEIA undertook five new initiatives. These include: review of the industry protocol for the treatment of advance ticket monies within the revised Code of Practice for the Ticketing of Live Entertainment in Australia; establishment of a Venue Infrastructure Taskforce; expansion of the Producer Development Program to Brisbane and Hobart; and launch of the Size and Scope of the Live Entertainment Industry Report nationally.
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AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2010

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OPERATING RESULTS

The net result for the year amounted to a profit of \$4,039 (2009: \$4,182).

There have been no significant changes in the financial affairs of the association.

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 \$12,098 (2009: \$10,585) 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 2010 the Association had 346 members (2009: 292 members).

Under section 174 of the *Fair Work (Registered Organisations) Act 2009* 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:

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2010

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 - (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
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- 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.

PERSONNEL

Number of Employees 8 Full time & 1 Part time (equivalent to 0.8 full time), (2009: 8 Full time & 1 Part time)

E. Richardson, the Chief Executive of AEIA, was a Director of Media Super ABN. 30 059 502 948. AEIA received \$10,800 (2009: \$10,800) for her services on the Board of Media Super. Resigned 30 June 2010.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2010

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

22 October 2010

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

EXECUTIVE COUNCIL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

In the opinion of the Councillors, the financial report as set out on pages 7 to 26:

1. Presents a true and fair view of the financial performance, financial position and cash flows of the Australian Entertainment Industry Association as at 30 June 2010 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 2010, 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 *Fair Work (Registered Organisation) Act 2009*; 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 *Fair Work (Registered Organisations) Act 2009*, 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 2010 on 22 October 2010.

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

22 October 2010

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
Revenue	4	<u>1,766,059</u>	<u>1,713,296</u>
Expenses			
AEIA – Administration Expenses		(1,322,666)	(1,299,195)
Depreciation and Amortisation Expenses		(34,068)	(36,147)
Helpmann Awards		<u>(405,286)</u>	<u>(373,672)</u>
	5	<u>(1,762,020)</u>	<u>(1,709,114)</u>
Profit before Income Tax Expense		<u>4,039</u>	<u>4,182</u>
Income tax expense	1(d)	<u>-</u>	<u>-</u>
Profit after Income Tax Expense		<u>4,039</u>	<u>4,182</u>
Other Comprehensive Income, net of tax		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u><u>4,039</u></u>	<u><u>4,182</u></u>

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

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010**

	Notes	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	6	528,063	653,926
Trade and other receivables	7	338,351	210,548
Other financial assets	8	-	10
Other	9	46,629	64,955
TOTAL CURRENT ASSETS		<u>913,043</u>	<u>929,439</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	40,043	46,896
Intangibles	11	9,710	25,310
TOTAL NON-CURRENT ASSETS		<u>49,753</u>	<u>72,206</u>
TOTAL ASSETS		<u>962,796</u>	<u>1,001,645</u>
CURRENT LIABILITIES			
Trade and other payables	12	509,272	569,681
Provisions	13	98,583	85,358
TOTAL CURRENT LIABILITIES		<u>607,855</u>	<u>655,039</u>
NON-CURRENT LIABILITIES			
Provisions	14	8,142	3,845
TOTAL NON-CURRENT LIABILITIES		<u>8,142</u>	<u>3,845</u>
TOTAL LIABILITIES		<u>615,997</u>	<u>658,884</u>
NET ASSETS		<u>346,799</u>	<u>342,761</u>
MEMBERS' EQUITY			
Retained profits		<u>346,799</u>	<u>342,761</u>
TOTAL MEMBERS' EQUITY		<u>346,799</u>	<u>342,761</u>

The above Statement of Financial Position 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 2010**

	2010	2009
	\$	\$
Retained Profits at the beginning of year 1 July	342,760	338,579
Total Comprehensive Income for the year	<u>4,039</u>	<u>4,182</u>
Retained Profits at the end of year 30 June	<u><u>346,799</u></u>	<u><u>342,761</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
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts from members and non members		1,600,371	1,601,596
Payments to suppliers and employees		(1,728,171)	(1,517,211)
Interest received		13,552	26,332
Net Cash (Used in)/Provided By Operating Activities	16(b)	<u>(114,248)</u>	<u>110,717</u>
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment		<u>(11,615)</u>	<u>(17,376)</u>
Net Cash Used In Investing Activities		<u>(11,615)</u>	<u>(17,376)</u>
Net (Decrease)/Increase in Cash Held		(125,863)	93,341
Cash at the beginning of the financial year		<u>653,926</u>	<u>560,585</u>
Cash at the end of the Financial Year	16(a)	<u><u>528,063</u></u>	<u><u>653,926</u></u>

The above Statement of Cash Flows 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 2010**

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 Fair Work (Registered Organisations) Act 2009.

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 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	37.5% - 40%
- Furniture and Fittings	19.0% - 37.5%

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

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 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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

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 2010**

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

(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.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Comparative Figures

Comparatives have been reclassified where necessary so as to be consistent with the figures presented in the current year.

(p) Accounting Standards Not Yet Effective

AEIA has applied all accounting standards that are effective at 30 June 2010. 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 Section 253 of the Fair Work (Registered Organisations) Act 2009, 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 a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (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 unit.
- (3) A reporting unit must comply with an application made under subsection (1).

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
4. REVENUE FROM CONTINUING ACTIVITIES		
Operating Activities		
Members Subscription	342,514	321,323
Non-Members Subscription	30,077	26,176
Loose Leaf Industrial Award Update Subscription	8,870	17,715
Helpmann Awards	406,336	370,848
Industry Service Fee	927,527	805,534
Workplace Relations Fee	10,400	60,000
	<u>1,725,724</u>	<u>1,601,596</u>
Non-Operating Activities		
Interest	13,552	26,332
Confederation of Australian Arts Centres and Music Foundation	-	58,684
Other	26,783	26,684
	<u>40,335</u>	<u>111,700</u>
Total Revenue	<u><u>1,766,059</u></u>	<u><u>1,713,296</u></u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

5. EXPENSES	2010	2009
	\$	\$
Expenses include the following items:		
Affiliation Fees	-	-
Auditors remuneration – Audit Services	10,800	9,018
Auditors remuneration – Other Services	-	-
Communication Expenses	29,574	37,453
Computer Expenses	9,003	17,575
Depreciation and Amortisation expenses	34,068	36,147
Employment Benefits paid to Employees.	793,541	685,306
Employment Benefits paid to Office Holders	-	-
Helpmann Awards Expenses	405,286	373,672
Levies Imposed	-	-
Grants or Donations	-	-
Capitation Fees or Membership Subscriptions (Aust Chamber Commerce \$8,528, CCH \$8,528 & other performancing Arts related publications under \$1,000)	24,574	27,572
Subscription Fees to Political Parties or Industrial Bodies	-	-
Conference Expenses	6,992	6,126
Meeting Expenses - Management Committee	-	828
Meeting Expenses - Executive Council	4,764	2,258
Meeting Expenses - Annual General	2,847	2,704
Meeting Expenses - Members Fora	13,329	4,239
Meeting Expenses - Other	2,868	5,930
Penalties	-	-
Legal Expenses	8,144	5,226
Insurance Expenses	18,060	19,548
Membership Development	134,237	170,763
Operating Lease Payments	66,509	63,169
Other Expenses	113,581	123,165
Printing and Stationery	12,140	9,633
Travel and Entertainment	61,692	96,450
Advertising	300	-
Doubtful Debts	9,711	12,332
	<u>1,762,020</u>	<u>1,709,114</u>

6. CASH AND CASH EQUIVALENTS

Cash at Bank	117,271	400,944
Cash on Hand	200	200
Car Park Deposit	592	592
Short-term Deposit	410,000	252,190
	<u>528,063</u>	<u>653,926</u>

The short term deposit matures on 4 February 2011.
The effective interest rate on the short term deposit is
6.0% (2009: 4.55%).

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

7. TRADE AND OTHER RECEIVABLES (CURRENT)	2010 \$	2009 \$
Trade Debtors	343,403	224,548
Allowance for Doubtful Debts	<u>(5,052)</u>	<u>(14,000)</u>
	<u>338,351</u>	<u>210,548</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 \$18,659 (2009: \$3,986) has been recognised by the entity in the current year.

Movements in the provision for impairment loss were as follows:

	2010 \$	2009 \$
Opening Balance	14,000	5,654
Additional Provision	9,711	12,332
Amounts Written off	(18,659)	(3,986)
Amounts Recovered	-	-
	<u>5,052</u>	<u>14,000</u>

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

	As at 30 June 2010		As at 30 June 2009	
	Gross \$	Allowance \$	Gross \$	Allowance \$
Current	205,037	-	142,972	-
31 – 60 days	49,651	(5,052)	38,933	-
61 – 90 days	87,022	-	17,568	-
91 days and over	1,693	-	25,074	(14,000)
	<u>343,403</u>	<u>(5,052)</u>	<u>224,548</u>	<u>(14,000)</u>

As at 30 June 2010 the Association had debts that were past due but not doubtful in the amount of \$133,314 (2009: \$67,575). 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 \$5,052 (2009: \$14,000).

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
8. OTHER FINANCIAL ASSETS (CURRENT)		
Investment in Endeavour Credit Union	<u>-</u>	<u>10</u>
9. OTHER (CURRENT)		
Prepayments	<u>46,629</u>	<u>64,955</u>
10. PROPERTY, PLANT AND EQUIPMENT		
Office Equipment - At Cost	91,645	82,358
Less: Accumulated Depreciation	<u>(59,885)</u>	<u>(42,881)</u>
	31,761	39,479
Furniture and Fittings - At Cost	16,154	13,827
Less: Accumulated Depreciation	<u>(7,872)</u>	<u>(6,408)</u>
	8,282	7,419
Total Property, Plant & Equipment	96,230	96,185
Total Accumulated Depreciation	<u>(56,187)</u>	<u>(49,289)</u>
	<u>40,043</u>	<u>46,896</u>

	Opening Written Down Value	Additions	Depreciation	Closing Written Down Value
	\$	\$	\$	\$
Office Equipment	39,477	9,288	(17,004)	31,761
Furniture and Fittings	7,419	2,327	(1,464)	8,282
	<u>46,896</u>	<u>11,615</u>	<u>(18,468)</u>	<u>40,043</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

11. INTANGIBLES	2010	2009
	\$	\$
Trademarks – At Cost	4,630	4,630
Website – At Cost	58,400	58,400
Less : Accumulated Amortisation - Website	(53,320)	(37,720)
	<u>9,710</u>	<u>25,310</u>

	Opening Written Down Value \$	Additions \$	Amortisation \$	Disposals \$	Closing Written Down Value \$
Trademarks	4,630	-	-	-	4,630
Website	20,680	-	(15,600)	-	5,080
	<u>25,310</u>	-	<u>(15,600)</u>	-	<u>9,710</u>

	2010	2009
	\$	\$
12. TRADE AND OTHER PAYABLES		
Non Interest Bearing		
Trade and other payables	242,595	243,365
Accruals	8,250	10,250
Subscriptions in Advance	22,750	-
Income in Advance –Helpmann’s Sponsorship	235,677	316,066
	<u>509,272</u>	<u>569,681</u>
13. PROVISIONS (CURRENT)		
Annual Leave	39,965	37,181
Long Service Leave	58,618	48,177
	<u>98,583</u>	<u>85,358</u>
14. PROVISIONS (NON-CURRENT)		
Long Service Leave	<u>8,142</u>	<u>3,845</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
15. LEASE COMMITMENTS		
Non-Cancellable Operating Leases Payable: Premises Rental		
Payable no later than one year	33,788	66,588
Payable later than one year but not later than five years	-	33,866
	<u>33,788</u>	<u>100,454</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	117,471	401,144
Short Term Deposit	410,592	252,782
	<u>528,063</u>	<u>653,926</u>

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

Profit after Income Tax	4,039	4,182
Depreciation of Property, Plant & Equipment	18,468	20,177
Amortisation of Intangibles	15,600	15,970
Changes in Assets and Liabilities		
(Increase) in trade and other receivables	(118,855)	(7,591)
(Decrease)/Increase in allowance for bad debts	(8,948)	8,346
Decrease in other assets	18,336	19,275
(Decrease)/Increase in trade and other payables	(60,409)	37,696
Increase in current provisions	13,225	42,252
Increase/(Decrease) in non current provisions	4,296	(29,590)
Net Cash (Used In)/Provided By Operating Activities	<u>(114,248)</u>	<u>110,717</u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

17. EXECUTIVE COUNCIL

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

T. Brookman	
B. Carmichael	Resigned:
A. Collette	D. Ballantyne (resigned AGM 4/12/09)
M. Coppel	R. Fitzgerald (resigned AGM 4/12/09)
P. Foulkes	B. Henderson (resigned AGM 4/12/09)
D. Gautier	J. Nicholls (resigned AGM 4/12/09)
R. Healy	G. Jones (resigned 5/03/10)
A. Kay	S. Hunt (resigned 4/06/10)
J. Kotzas	
M. Lazarus-Hall	Appointed:
L. McLean	M. Barker (appointed 11/06/10)
A. Moon	P. Prendergast (appointed 11/06/10)
M. O'Connor	
R. Phillips	
R. Rigby	
A. Tonks	

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 (2009: \$10,800).

J. Nicholls – Managing Director, Jon Nicholls Productions Pty Ltd. This company received \$92,882, (2009: \$34,577) for services contracted as the Executive Producer (\$38,500) and reimbursement of expenses (\$54,382) for the Helpmann Awards®.

R. Healy – Director Performing Arts, Sydney Opera House. This entity received \$29,561 (2009: \$3,260) for venue hire.

A. Moon – Executive, Victorian Arts Centre Trust. This entity received \$221 (2009: \$3,484) for parking charges and venue hire.

L. McLean – Director, Tinderbox Productions Pty Ltd. This entity received \$12,141 (2009: \$27,166) for services contracted as the Associate Producer and reimbursement of expenses for the Helpmann Awards®.

R. Phillips – Chief Executive, AEG Ogden (Perth) Pty Ltd. This entity received \$2,196 (2009: \$460) for venue hire.

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Related Party Transactions (Cont'd)

T. Brookman – Managing Director, Arts Asia Pacific. This entity received \$402 (2009: Nil) for reimbursement of expenses.

J.Kotzas – Chief Executive. Queensland Performing Arts Centre. This entity received \$3,247 (2009: Nil) for Venue Hire.

B. Henderson – Entertainment Services Manager, Star City Casino. This entity received \$4,827 (2009: \$27,816) for the supply of accommodation.

R. Rigby – Managing Director, Newtheatricals. This entity received \$863 (2009: Nil) for reimbursement of expenses.

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 2010**

18. KEY MANAGEMENT PERSONNEL COMPENSATION

	2010	2009
	\$	\$
The following table discloses the aggregate of Key Management personnel compensation:		
Short term employee benefits	167,709	154,391
Post employment benefits - superannuation	<u>21,397</u>	<u>19,910</u>
Total remuneration	<u>189,106</u>	<u>174,301</u>

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.

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:

	2010	2009
	\$	\$
Financial Assets		
Cash and cash equivalents	528,063	653,926
Trade and other receivables	<u>338,351</u>	<u>210,548</u>
Total Financial Assets	<u>866,414</u>	<u>864,474</u>
Financial Liabilities		
Trade and other payables	<u>509,272</u>	<u>569,681</u>
Total Financial Liabilities	<u>509,272</u>	<u>569,681</u>
Net exposure	<u><u>357,142</u></u>	<u><u>294,793</u></u>

**AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

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 2010**

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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 2010	< 6 months \$	6 – 12 months \$	1 – 5 years \$	> 5 years \$	Total \$
Financial assets					
Bank	528,063	-	-	-	528,063
Trade and other receivables	338,351	-	-	-	338,351
	<u>866,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>866,414</u>
Financial liabilities					
Trade and other payables	509,272	-	-	-	509,272
	<u>509,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>509,272</u>
Net maturity	<u>357,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,142</u>



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

Chartered Accountants
& Business Advisers

We have audited the accompanying financial report of The Australian Entertainment Industry Association, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the executive council statement.

The Responsibility of the 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 Fair Work (Registered Organisations) Act 2009. 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.

The financial report has been prepared for distribution to members. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 2010 and of its performance and its cash flows for the year ended on that date; and is in accordance with:

- (a) the Fair Work (Registered Organisations) Act 2009, including complying with Accounting Standards in Australia and the requirements of the Fair Work (Registered Organisations) Act 2009, Schedule 1, Chapter 8, Part 3 – Accounts and Audit; and
- (b) other mandatory financial reporting requirements in Australia.

PKF

J A Mooney
Partner

Registered Company Auditor # 311052

22 October 2010

Melbourne

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