



Australian Government
Registered Organisations Commission

20 December 2017

Mr Andrew Kay
President
Australian Entertainment Industry Association

By e-mail: info@liveperformance.com.au

Dear Mr Kay

Australian Entertainment Industry Association
Financial Report for the year ended 30 June 2017 - FR2017/141

I acknowledge receipt of the financial report for the year ended 30 June 2017 for the Australian Entertainment Industry Association (AEIA). The financial report was lodged with the Registered Organisations Commission (ROC) on 4 December 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2017 report has been filed the following should be addressed in the preparation of the next financial report.

General Purpose Financial Report (GPFR)

Revenue recognition

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires the entity to disclose the measurement basis or bases used in recognising revenue. The accounting policies for significant revenue including the 'Helpmann Awards' and 'Industry Service Fee' should be disclosed at Note 1(e).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan'.

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

ABN 43 095 907 857

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Registered Office

Level 1, 15-17 Queen Street
MELBOURNE VIC 3000

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

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AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

DESIGNATED OFFICERS CERTIFICATE


s. 268 Fair work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

FOR THE YEAR ENDED 30 JUNE 2017

I, Andrew Kay, being the President of the Australian Entertainment Industry Association certify:

- that the documents lodged herewith are copies of the full report for the Australian Entertainment Industry Association for the Year ended 30 June 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 08 November 2017; and
- that the full report was presented to a general meeting of members of the reporting unit on 01 December 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Andrew Kay AM
President

01 December 2017

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Your Councillors submit the financial report of the Australian Entertainment Industry Association for the year ended 30 June 2017.

REVIEW OF PRINCIPAL ACTIVITIES, THE RESULTS OF THOSE ACTIVITIES AND ANY SIGNIFICANT CHANGES IN THE NATURE OF THOSE ACTIVITIES DURING THE YEAR

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, policy and a broad range of other industry related issues.
- ◆ In 2016-17 AEIA undertook 5 major initiatives. These include: detailed submissions to the Fair Work Commission regarding award modernisation; government submissions regarding immigration reviews; advocacy with respect to industry concerns about the growth of the secondary ticket market (established working group to review a revised draft Ticketing Code with reference to the secondary ticket market; advocacy for legislation to criminalise 'ticket bots'; and a consumer awareness campaign); independent Ticketing Code Compliance Report; negotiation with APRA regarding a new definition and tariff for Dramatic Context Licence; and completion of new Workplace Health and Safety Guidelines.
- ◆ These major initiatives have resulted in:
 - ◆ Membership base remains strong, diverse and national
 - ◆ Implementation of new immigration online system and assistance to members
 - ◆ Implementation of consumer awareness campaign with respect to risks when buying tickets in the secondary market
 - ◆ Improved member compliance with the Ticketing Code
 - ◆ Raised profile of live performance industry and the association nationally.

SIGNIFICANT CHANGES IN FINANCIAL AFFAIRS

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 \$81,200 (2016: loss \$18,021).

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

EVENTS SINCE THE END OF THE FINANCIAL YEAR

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.

NUMBER OF MEMBERS

As at 30 June 2017 the Association had 414 members (2016: 426 members).

NUMBER OF EMPLOYEES

Number of Employees 10, (2016: 10).

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

RIGHT OF MEMBERS TO RESIGN

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:

- 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COMMITTEE OF MANAGEMENT - EXECUTIVE COUNCILLORS

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

B Carmichael *
M Cassel *
M Coppel *
R Evans *
D Gautier *
A Kay *
J Kotzas *
P McIntyre *
L McLean *
M O'Connor *

R Pilbeam *
L Withers *
T Brookman *
S McGrath *
T McGregor *
C Spencer *
J Vince *

C Hassall (resigned 14/03/17)

*All held office for the full Financial Year

INDEMNIFYING OFFICERS, EXECUTIVES OR AUDITORS


The Association has obtained insurance in respect of councillors, officers and executives against all liabilities to other persons that may arise from their positions as councillors, officers or executives. A premium of \$13,538 (2016: \$13,498) 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.

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 AM
President
20 October 2017



Maria O'Connor
Vice President

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

EXECUTIVE COUNCIL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

1. In the opinion of the Executive Councillors, the financial statements and notes as set out on pages 7 to 31:
 - a) comply with the Australian Accounting Standards;
 - b) comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
 - 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;

2. During and since the end of the financial year ended 30 June 2017, the;
 - a) meetings of the Executive Council were held in accordance with the rules of the Association; and
 - b) financial affairs have been managed in accordance with the rules of the Association; and
 - c) financial records have been kept and maintained in accordance with the RO Act; *and*
 - d) where information has been sought in any request by a member of the Australian Entertainment Industry Association or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner, and
 - e) any order for inspection of financial records made by the Registered Organisations Commission under Section 273 of the RO Act has been complied with.

3. In relation to recovery of wages activity:
 - a) in accordance with the requirements of the reporting guidelines 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. The Committee of Management of AEIA passed the resolution to approve and accept the Financial Statements for the year ended 30 June 2017 on 20 October 2017.

This declaration is made in accordance with a resolution of the Councillors and is signed for and on behalf of the Councillors by:



Andrew Kay AM
President

20 October 2017



Maria O'Connor
Vice President

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Revenue			
Membership Subscription *		480,579	493,265
Capitation fees *		-	-
Levies *		-	-
Interest	3A	19,389	18,128
Helpmann Awards		659,107	541,014
EEIG Project		-	8,006
Other Revenue	3B	1,400,855	1,391,264
Total Revenue		<u>2,559,930</u>	<u>2,451,677</u>
Other Income			
Grants		-	-
Total Other Income		<u>-</u>	<u>-</u>
Total Income		<u><u>2,559,930</u></u>	<u><u>2,451,677</u></u>
Expenses			
Employee Expenses	4A	1,199,770	1,237,019
Capitation fees *		-	-
Affiliation fees *		-	-
Administration expenses	4B	539,717	600,628
Grants and/or donations *		-	-
Depreciation and amortisation	4C	37,402	54,383
Legal costs	4D	31,810	19,505
Audit fees	14	16,240	15,225
Net Losses from sale of assets		-	-
Grants or Donations *	4E	-	-
Other expenses *	4F	-	-
Helpmann Awards		653,791	542,938
EEIG Project		-	-
Total expenses		<u>2,478,730</u>	<u>2,469,698</u>
Profit/ (Loss) for the year		<u><u>81,200</u></u>	<u><u>(18,021)</u></u>
Income tax expense	1(r)	-	-
Profit/(Loss) after Income Tax Expense		<u>81,200</u>	<u>(18,021)</u>
Other Comprehensive Income, net of tax		-	-
Total Comprehensive Income for the Year		<u><u>81,200</u></u>	<u><u>(18,021)</u></u>

The above Statement should be read in conjunction with the notes.

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	5A	1,407,061	1,400,361
Trade and other receivables	5B	335,682	226,377
Other current assets	5C	241,822	173,149
TOTAL CURRENT ASSETS		<u>1,984,565</u>	<u>1,799,887</u>
NON-CURRENT ASSETS			
Office equipment	6A	5,643	7,816
Furniture and fittings	6B	6,305	9,430
Intangibles	6C	27,986	41,005
TOTAL NON-CURRENT ASSETS		<u>39,934</u>	<u>58,251</u>
TOTAL ASSETS		<u>2,024,499</u>	<u>1,858,138</u>
CURRENT LIABILITIES			
Trade payables	7A	266,674	271,551
Other payables	7B	1,033,902	953,963
Employee provisions	8A	180,312	168,737
TOTAL CURRENT LIABILITIES		<u>1,480,888</u>	<u>1,394,251</u>
NON-CURRENT LIABILITIES			
Employee provisions	8A	13,898	15,374
Other non-current liabilities *	9A	-	-
TOTAL NON-CURRENT LIABILITIES		<u>13,898</u>	<u>15,374</u>
TOTAL LIABILITIES		<u>1,494,786</u>	<u>1,409,625</u>
NET ASSETS		<u>529,713</u>	<u>448,513</u>
MEMBERS' EQUITY			
General Funds	10A	120,000	120,000
Retained earnings		409,713	328,513
TOTAL MEMBERS' EQUITY		<u>529,713</u>	<u>448,513</u>

The above Statement should be read in conjunction with the notes.

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	General Funds \$	Retained Earnings \$	Total Equity \$
Balance as at 01 July 2015	120,000	346,534	466,534
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Loss for the Year	-	(18,021)	(18,021)
Other comprehensive income for the year	-	-	-
Transfer to/from Legal expense reserve	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2016	<u>120,000</u>	<u>328,513</u>	<u>448,513</u>
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Profit for the Year	-	81,200	81,200
Other comprehensive income for the year	-	-	-
Transfer to/from Legal expense Reserve	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2017	<u>120,000</u>	<u>409,713</u>	<u>529,713</u>

The above Statement should be read in conjunction with the notes.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Cash Flows from Operating Activities			
Cash received			
Receipts from other reporting units/ controlled entity(s) *		-	-
Receipts from members and non members		2,488,136	2,647,606
Interest received		<u>19,532</u>	<u>17,577</u>
Cash Used			
Payment to other reporting units/controlled entity(s) *		-	-
Payments to suppliers and employees		<u>(2,481,883)</u>	<u>(2,591,189)</u>
Net Cash Provided By Operating Activities	11	<u>25,785</u>	<u>73,994</u>
Cash Flows From Investing Activities			
Cash Used			
Purchase of Property, Plant and Equipment		(2,945)	(1,376)
Purchase of Website		<u>(16,140)</u>	<u>(5,325)</u>
Net Cash Used In Investing Activities		<u>(19,085)</u>	<u>(6,701)</u>
Net Increase in Cash Held		<u>6,700</u>	<u>67,293</u>
Cash & cash equivalents the beginning of the financial year		1,400,361	1,333,068
Cash & cash equivalents at the end of the Financial Year	5A	<u>1,407,061</u>	<u>1,400,361</u>

The above Statement should be read in conjunction with the notes.

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**RECOVERY OF WAGES ACTIVITY *
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	<u>-</u>	<u>-</u>
Interest received on recovered money	<u>-</u>	<u>-</u>
Total Receipts	<u>-</u>	<u>-</u>
Payments		
Deductions of amounts due in respect of membership for:	<u>-</u>	<u>-</u>
Total Payments	<u>-</u>	<u>-</u>
Cash assets in respect of recovered money at end of year	<u>-</u>	<u>-</u>
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	<u>-</u>	<u>-</u>
Number of workers the payable relates to	<u>-</u>	<u>-</u>
Fund or account operated in recovery of wages	<u>-</u>	<u>-</u>

The above Statement should be read in conjunction with the notes.

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

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AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1(a) Basis of Preparation of the Financial Statements

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.

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(b) Comparative Figures

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

1(c) Significant Accounting Judgements and Estimates

There are no key accounting assumptions or estimates that have been identified that have a significant risk.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

1(d) New Australian Accounting Standards

At the date of approving the financial report, the following Australian Accounting Standards and Interpretations relevant to Australian Entertainment Industry Association have recently been issued or amended but are not yet mandatory, have not been early adopted by Australian Entertainment Industry Association for the period ended 30 June 2017.

Standard/ Interpretation	Effective for the annual reporting period beginning on	Expected to be initially applied in the financial year ending
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	01 January 2017	30 June 2019
AASB 1058 'Income of Not-For-Profit Entities'	01 January 2019	30 June 2020
AASB 9 'Amendments to Australian Accounting Standards – Financial Instruments'	01 January 2018	30 June 2019
AASB 16 'Amendments to Australian Accounting Standards – Leases'	01 January 2019	30 June 2020

Australian Entertainment Industry Association has not yet determined the full effect of the above amendments to standards and interpretations.

1(e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Memberships are generally for a period of twelve months from July to June. The membership fees are invoiced a month prior to 01 July each year and Membership Fee income is recognised in equal monthly instalments over the twelve month period ending June in the year to which it relates.

1(f) Government Grants

Government grants are not recognised until there is reasonable assurance that AEIA will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which AEIA recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to AEIA with no future related costs are recognised in profit or loss in the period in which they become receivable.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

1(g) Gains

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1(h) 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.

1(i) 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

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 website is amortised over a useful life of three years.

1(j) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

1(k) 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.

1(l) Cash and Cash Equivalents

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

1(m) Allowance for Doubtful Debts

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

1(n) Trade and Other Receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts outstanding at reporting date plus accrued interest and less, where applicable, any unearned income and allowances for doubtful accounts.

1(o) Trade and Other Payables

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

1(p) Depreciation and Amortisation

Items of property plant and equipment are depreciated using the straight line method over their useful lives.

The depreciation rates used for each class of asset are as follows:

- Office Equipment 1 to 5 years
- Furniture and Fittings 4 to 10 years

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

1(q) Impairment of Non-Financial Assets

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.

1(r) Taxation

AEIA is exempt from income tax under Section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1(s) Investment in Associates, Business Combinations

There were no investments in Associates or any Business Combinations during the Year ended 30 June 2017.

1(t) Levies, Financial Support

AEIA has not raised any compulsory levies from members or received any financial support from another reporting unit.

1(u) Expenses – Capitation, Affiliation

AEIA has not incurred or paid any capitation fees or any affiliation fees.

1(v) Receivables or Payables With Another Reporting Unit

There have been no receivable or payable transactions with another reporting unit.

Note 2 EVENTS AFTER THE REPORTING PERIOD

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.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

Note 3 INCOME

	2017 \$	2016 \$
3A. Interest		
Deposits	19,389	18,128
Total Interest	19,389	18,128
3B. Other Revenue		
Industry Service Fee	1,310,004	1,302,671
Other	90,851	88,693
Total Other Revenue	1,400,855	1,391,264

Note 4 EXPENSES

4A. Employee Expenses *

Holders of office:

Wages and Salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Subtotal employee expenses holders of office	-	-

Employees other than office holders:

Wages and Salaries	1,044,760	1,045,110
Superannuation	95,210	94,066
Leave and other entitlements	10,099	33,403
Separation and redundancies	-	-
Other employee expenses	49,701	64,440
Subtotal employee expenses employees other than office holders	1,199,770	1,237,019
Total Employee Expenses	1,199,770	1,237,019

4B. Administration Expenses

Consideration to employers for payroll deductions *	-	-
Compulsory levies *	-	-
Fees/allowances - meeting and conferences*	-	-
Conference Expenses	578	5,997
Meeting Expenses - Executive Council	9,735	5,853
Meeting Expenses - Annual General Meeting	2,491	5,214
Meeting Expenses - Members Forum	12,098	34,832
Rent	81,047	49,043
Other Expenses	433,768	499,689
Total Administration Expenses	539,717	600,628

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

	2017 \$	2016 \$
4C. Depreciation and Amortisation		
Depreciation		
Office equipment	5,118	5,078
Furniture & Fittings	3,125	3,105
Total Depreciation	<u>8,243</u>	<u>8,183</u>
Amortisation		
Intangibles	29,159	46,200
Total Amortisation	<u>29,159</u>	<u>46,200</u>
Total Depreciation and Amortisation	<u>37,402</u>	<u>54,383</u>
4D. Legal Costs *		
Litigation	-	-
Other legal general matters	31,810	19,505
Total Legal Costs	<u>31,810</u>	<u>19,505</u>
4E. Grants or Donations*		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total Grants or Donations	<u>-</u>	<u>-</u>
4F. Other Expenses		
Penalties – via RO Act or RO Regulations *	-	-
Total Other Expenses	<u>-</u>	<u>-</u>

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

Note 5 CURRENT ASSETS

5A. Cash and Cash Equivalents	2017 \$	2016 \$
Cash at Bank	697,375	709,326
Cash on Hand	200	400
Short-term Deposit	699,486	680,635
Rent Guarantee – Term Deposit	10,000	10,000
Total Cash and Cash Equivalents	1,407,061	1,400,361
<p>The short term deposits mature on 07 November 2017 (\$351,405) and 15 December 2017 (\$348,081). The effective interest rate on the short term deposits are 2.60% (2016: 2.9%) and 2.55% (2016: 2.85%) respectively.</p>		
5B. Trade and Other Receivables (Current)		
Receivables from other reporting unit(s) *	-	-
Total Receivables From Other Reporting Unit(s)	-	-
Less provision for doubtful debts *	-	-
Total Provision for Doubtful Debts	-	-
Net Receivables from Other Reporting Unit(s)	-	-
Other Receivables		
Trade Debtors	355,185	245,880
Allowance for Doubtful Debts	(19,503)	(19,503)
Net Total Other Receivables	335,682	226,377
Total Trade and Other Receivables	335,682	226,377

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

Allowance for Impairment Loss

Trade receivables are non-interest bearing and are generally on 7 - 30 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 \$ nil (2016: \$ nil) has been recognised by the entity in the current year.

Movements in the provision for impairment loss were as follows:

	2017	2016
	\$	\$
Opening Balance	19,503	19,503
Additional Provision	-	-
Amounts Written off	-	-
Amounts Recovered	-	-
Closing Balance	19,503	19,503

At 30 June 2017, the ageing analysis of trade receivables is as follows:

	As at 30 June 2017		As at 30 June 2016	
	Gross	Allowance	Gross	Allowance
	\$	\$	\$	\$
Current	119,191	-	67,214	-
31 – 60 days	228,034	(19,503)	162,814	(16,553)
61 – 90 days	2,289	-	4,724	(2,950)
91 days and over	5,671	-	11,128	-
Closing Balance	355,185	(19,503)	245,880	(19,503)

As at 30 June 2017 the Association had debts that were past due but not doubtful in the amount of \$7,960 (2016: \$12,902). 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 adjusted accordingly to provide for those debtors \$19,503 (2016: \$19,503).

	2017	2016
	\$	\$
5C. Other Current Assets		
Helpmann Awards prepaid expenses	214,211	141,523
Other prepaid expenses	27,611	31,626
Total Other Current Assets	241,822	173,149

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

Note 6 NON-CURRENT ASSETS

6A. Office Equipment	2017 \$	2016 \$
Office Equipment - At Cost	49,665	46,720
Less: Accumulated Depreciation	<u>(44,022)</u>	<u>(38,904)</u>
Total Office Equipment	<u>5,643</u>	<u>7,816</u>

Reconciliation of the Opening and Closing Balances of Office Equipment

As at 01 July 2016

Gross book value	46,720	45,650
Accumulated depreciation	<u>(38,904)</u>	<u>(33,826)</u>
Net book value 01 July 2016	<u>7,816</u>	<u>11,824</u>
Additions	2,945	1,070
Depreciation expense	(5,118)	(5,078)
Disposals	-	-
Transfers	-	-
Net book value 30 June 2017	<u>5,643</u>	<u>7,816</u>

Net book value as of 30 June 2017 represented by:

Gross book value	49,665	46,720
Accumulated depreciation	<u>(44,022)</u>	<u>(38,904)</u>
Net book value 30 June 2017	<u>5,643</u>	<u>7,816</u>

6B. Furniture and Fittings

Furniture and Fittings - At Cost	35,744	35,744
Less: Accumulated Depreciation	<u>(29,439)</u>	<u>(26,314)</u>
Total Furniture and Fittings	<u>6,305</u>	<u>9,430</u>

Reconciliation of the Opening and Closing Balances of Furniture and Fittings

As at 01 July 2016

Gross book value	35,744	35,437
Accumulated depreciation	<u>(26,314)</u>	<u>(23,209)</u>
Net book value 01 July 2016	<u>9,430</u>	<u>12,228</u>
Additions	-	306
Depreciation expense	(3,125)	(3,105)
Disposals	-	-
Transfers	-	-
Net book value 30 June 2017	<u>6,305</u>	<u>9,430</u>

Net book value as of 30 June 2017 represented by:

Gross book value	35,744	35,744
Accumulated depreciation	<u>(29,439)</u>	<u>(26,314)</u>
Net book value 30 June 2017	<u>6,305</u>	<u>9,430</u>

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

6C. Intangibles	2017 \$	2016 \$
Trademarks – At Cost	4,630	4,630
Website – At Cost	165,030	148,890
Less : Accumulated Amortisation - Website	(141,674)	(112,515)
Total Website	23,356	36,375
Total Website and Trademarks	27,986	41,005

Reconciliation of the Opening and Closing Balances of Website

As at 01 July 2016		
Gross book value	148,890	143,566
Accumulated depreciation	(112,515)	(66,315)
Net book value 01 July 2016	36,375	77,251
Additions	16,140	5,325
Depreciation expense	(29,159)	(46,200)
Disposals	-	-
Transfers	-	-
Net book value 30 June 2017	23,356	36,375
Net book value as of 30 June 2017 represented by:		
Gross book value	165,030	148,890
Accumulated depreciation	(141,674)	(112,515)
Net book value 30 June 2017	23,356	36,375

Note 7 CURRENT LIABILITIES

7A. Trade Payables		
Non-Interest Bearing		
Trade creditors	112,416	104,094
Accruals	154,258	167,457
Subtotal Trade Creditors and Accruals	266,674	271,551
Payables to Other Reporting Unit(s)	-	-
Subtotal Payables to Other Reporting Unit(s)	-	-
Total Trade Payables	266,674	271,551

Settlement is usually made within 30 days.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

7B. Other Payables	2017 \$	2016 \$
Wages and Salaries	-	-
Superannuation	-	-
Consideration to employers for payroll deductions *	-	-
Legal costs *	-	-
Prepayments received/ unearned revenue	930,163	848,870
EEIG Project	-	-
GST payable	91,049	76,800
Other	12,690	28,293
Total Other Payables	1,033,902	953,963
Total other payables are expected to be settled in:		
No more than 12 months	1,033,902	953,963
More than 12 months	-	-
Total Other Payables	1,033,902	953,963

Note 8 PROVISIONS

8A. Employee Provisions*

Office holders

Annual Leave	-	-
Long Service Leave	-	-
Separation and Redundancies	-	-
Superannuation	-	-
Other Employee Provisions	-	-
Subtotal Employee Provisions – Office holders	-	-

Employees other than Office holders

Annual Leave	73,275	57,013
Long Service Leave	120,935	127,098
Separation and Redundancies	-	-
Superannuation	-	-
Other Employee Provisions	-	-
Subtotal Employee Provisions – Employees other than Office holders	194,210	184,111
Total Employee Provisions	194,210	184,111
Current	180,312	168,737
Non-current	13,898	15,374
Total Employee Provisions	194,210	184,111

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

Note 9 NON-CURRENT LIABILITIES

	2017 \$	2016 \$
9A. Other Non-Current Liabilities *		
Other Non-Current Liabilities	-	-
Total Other Non-Current Liabilities	-	-

Note 10 MEMBERS EQUITY

10A. General Funds

Legal Expense Reserve

Balance at start of year	120,000	120,000
Transferred to reserve	-	-
Transferred from Reserve	-	-
Balance as at end of year	120,000	120,000

Note 11 STATEMENT OF CASH FLOWS

11A. Cash Flow Reconciliation

Reconciliation of Cash and Cash Equivalents as per Statement of Financial Position to Cash Flow Statement:

Cash and Cash Equivalents as per:		
Statement of Cash Flows	1,407,061	1,400,361
Statement of Financial Position	1,407,061	1,400,361
Difference	-	-

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

Note 11 STATEMENT OF CASH FLOWS (Cont'd)

	2017 \$	2016 \$
Reconciliation of profit/ (deficit) to net cash from operating activities:		
Profit/ (Loss) for the year	81,200	(18,021)
Adjustments for non-cash items		
Depreciation of Property, Plant & Equipment	8,243	8,183
Amortisation of Intangibles	29,159	46,200
Gain on Disposal of Assets	-	-
Changes in Assets and Liabilities		
(Increase)/ Decrease in trade and other receivables	(109,305)	74,308
Increase in allowance for doubtful debts	-	-
(Increase)/ Decrease in other assets	(68,673)	20,225
Increase/ (Decrease) in trade and other payables	79,560	(24,541)
Increase/ (Decrease) in employee provisions	5,601	(32,360)
Net Cash Provided By Operating Activities	<u>25,785</u>	<u>73,994</u>

Note 12 CONTINGENT LIABILITIES AND COMMITMENTS

12A. Lease Commitments

Non-Cancellable Operating Leases Payable:	-	-
Premises Rental		
Payable no later than one year	99,369	81,207
Payable later than one year but not later than five years	319,299	420,027
Total Lease Commitments	<u>418,668</u>	<u>501,234</u>

12B. 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.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

Note 13 RELATED PARTY DISCLOSURES

13A. Related Party Transactions - Executive Councillors

Related Party Transactions

The following related party transactions occurred during the financial year:

Revenue received from:

All Executive Councillors' Organisations pay a membership subscription fee at the standard commercial rates set for the membership.

Expenses paid to:	2017	2016
	\$	\$
D Gautier – CEO, Adelaide Festival Centre - for Venue Hire/ Catering.	290	943
J Kotzas – Chief Executive, Queensland Performing Arts Centre - for Venue Hire/ Catering.	-	1,464
Maria O'Connor – Managing Director, Ticketmaster Australia and NZ – for Ticket refund.	240	-
M Cassel – Director, Cameron Mackintosh Australia – for Les Miserables Show Labour hire (Helpmann Awards).	-	33,652
C Spencer - Chief Executive – Arts Centre Melbourne – for Catering/ sponsorship.	6,080	2,370

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2017, the Australian Entertainment Industry Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$Nil).

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

No employee provisions have been made for any Executive Councillor / Office holders.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

13B. Key Management Personnel Remuneration

	2017	2016
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	217,260	216,928
Annual leave accrued	13,373	15,509
Performance Bonus	-	15,000
Total Short-term employee benefits	<u>230,633</u>	<u>247,437</u>
Post-employment benefits		
Superannuation	14,687	17,792
Total post-employment benefits	<u>14,687</u>	<u>17,792</u>
Other long-term benefits		
Long service leave	43,886	38,834
Total Other long-term benefits	<u>43,886</u>	<u>38,834</u>
Total Key Management Personnel Remuneration	<u><u>289,206</u></u>	<u><u>304,063</u></u>

Note 14 REMUNERATION OF AUDITORS

Financial statement audit services	16,240	15,225
Other services	-	-
Total Remuneration of Auditors	<u><u>16,240</u></u>	<u><u>15,225</u></u>

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

Note 15 FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's principal financial instruments comprise receivables, payables, cash, and short-term deposits. 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.

15A. Categories of financial Instruments

The Association holds the following financial instruments:

	2017	2016
	\$	\$
Financial Assets		
Cash and cash equivalents	1,407,061	1,400,362
Trade and other receivables	<u>335,682</u>	<u>226,377</u>
Total Financial Assets	<u>1,742,743</u>	<u>1,626,739</u>
Financial Liabilities		
Trade and other payables	<u>1,300,576</u>	<u>1,225,514</u>
Total Financial Liabilities	<u>1,300,576</u>	<u>1,225,514</u>
Net exposure	<u><u>442,167</u></u>	<u><u>401,225</u></u>

15B. Risk Exposure and Responses

Market 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.

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 year ended 30 June 2017

Credit risk

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

15C. Maturities of Financial Assets and Liabilities

The table below analyses 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 2017	< 6 months \$	6 – 12 months \$	1 – 5 years \$	> 5 years \$	Total \$
Financial assets					
Bank	1,407,061	-	-	-	1,407,061
Trade and other receivables	335,682	-	-	-	335,682
Total Financial assets	1,742,743	-	-	-	1,742,743
Financial liabilities					
Trade and other payables	1,034,182	266,394	-	-	1,300,576
Total Financial liabilities	1,034,182	266,394	-	-	1,300,576
Net maturity	708,561	(266,394)	-	-	442,167

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2017

Note 16 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of Section 272 of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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 to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Entertainment Industry Association

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Entertainment Industry Association (the Entity), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Executive Council statement.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the *Fair Work (Registered Organisations) Act 2009* and the reporting guidelines of the General Manager.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards and the *Fair Work (Registered Organisations) Act 2009*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The members of the executive councillors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Councillors' Operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Councillors for the Financial Report

The Councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Fair Work (Registered Organisations) Act 2009* and the reporting guidelines of the General Manager and for such internal control as the members of the Divisional Branch Management Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members of the councillors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Councillors are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Use of Going Concern Assumption

As part of our audit of the financial report, we have concluded that managements use of the going concern assumption as set out in Note 1 in the preparation of the financial statements is appropriate.

Because not all future events or conditions can be predicted, this statement is not a guarantee as to the entity's ability to continue as a going concern.

Declaration by the auditor

I, James Mooney, declare the following:

- i. I am a registered auditor;
- ii. I am a member of the Institute of Chartered Accountants in Australia; and
- iii. I hold a current Public Practice Certificate.

BDO East Coast Partnership



James Mooney
Partner

Registered company auditor #311052

Melbourne, 20 October 2017