



CHIEF EXECUTIVE OFFICERS REPORT

AIMIA Annual General Meeting FY10

18 March 2011

Prepared by John Butterworth, CEO

Overview of AIMIA

Founded in 1992, AIMIA is the peak industry body for digital content, services and applications in Australia.

AIMIA exists to:

- Deliver services and initiatives that help AIMIA members grow their business and support the growth of the Digital Industry at large
- Develop and grow the markets for AIMIA member's services and products
- Represent AIMIA members and the Digital industry nationally and internationally with government, education, media and the broader business community

AIMIA Member Services include:

- Digital Industry development initiatives and activities
- Business and consumer market development
- Education and training
- Industry standards, guidelines and codes of practice
- Consumer education
- Industry and consumer research
- Forums, seminars, and conferences
- Networking events
- Annual AIMIA Awards program
- Government lobbying and policy development
- Insurance and legal services

Overview

FY10 can be characterised as a two-speed year for AIMIA with the potential impact of the GFC clearly affecting the digital industry in the first half of the financial year. Up until February 2010 AIMIA membership had either been flat or suffering from minor declines each month. We were consistently behind budget on all revenue lines during the same period.

However from February 2010 onwards confidence clearly started to return to the industry and was reflected at AIMIA with membership recording four straight months of growth and revenue across all activities catching up to the point that we ended up being \$80,715 over budget on net profit at the end of the financial year.

AIMIA Members

At June 30 2010, AIMIA had a membership base of 669, compared to 645 at June 30 2009, Most of the membership increase came in the last few months of the financial year

As usual the student category showed the most volatility (usually caused by a college signing up groups of students at a bulk discount rate) although this was largely offset by the decline in individual membership which is showing a long term trend towards decreasing, in line with the goal of AIMIA wholly becoming a trade organisation. The SME category was responsible for the rest of the increase in overall membership.

AIMIA's membership is drawn from the full spectrum of the digital media industry in Australia. Our members range from Australia's top Digital Content powerhouses, including the ABC, Google, Sensis, Yahoo7. BigPond, Foxtel, Disney, ninemsn and Fairfax Digital, to the country's best known interactive advertising, mobile content, web development, games design, and special effects companies. Members include developers, creators, producers, investors, owners, service providers, educational institutions and students.

AIMIA – FY10 Fact Sheet

Following the expansion of activities in FY09, FY10 was a more conservative year in light of concerns over the GFC.

Highlights in FY10 included:

- Staging the AIMIA Awards in Melbourne for the first time since 1999 and for the first time outside of Sydney since 2006. Although the Awards were a critical and creative success (and did return a profit) there were costs overruns and it was even more of a nightmare than usual given the logistics involved;
- As well as continuing to hold a range of events conducted by the AIMIA office, AIMIA industry groups, and the various AIMIA state chapters, we also expanded our offering to include our first ever one day event, AIMIA Connect, and added the Amber Awards to the

industry calendar. Overall we held 34 events throughout the financial year

- Expansion of our industry groups to include Video, Retail and Customer Experience
- Launch of the History of the Australian Web
- Redevelopment of the Membership structure for launch on July 1st 2010
- Major redevelopment of the AIMIA website and new member features such as the AIMIA Showcase
- Implementation of a brand new member management system and new back-end
- Expansion of the AIMIA digital media internship programme in partnership with industry and the education sector and obtained extra financial support from the NSW State Government allowing us to hire a full time employee to manage and grow the program
- Expansion of our Trade mission program with the launch of a new Digital Media Trade Mission to Shanghai as well as continuing to lead trade missions and market visits to Hong Kong, New York and Singapore
- Major constitutional reform reducing the number of national board members from sixteen to nine and introducing three-year terms for board members.
- Various submissions to government on the R18+ Games Ratings and R&D Tax Concessions;
- AIMIA invited to join NSW Government "Digital Sydney" Board

AIMIA Operations

Excluding our TradeStart staff member who is funded by the Federal Government through Austrade, AIMIA's ended the financial year with seven full time staff, the same as the preceding financial period.

AIMIA Financial Results

AIMIA's finances are reported in two ways.

Firstly, AIMIA's annual financial performance is described in terms of **AIMIA National Office Financial Year Accounts**. These report on the performance of the AIMIA office and revenues and expenses associated with the activities of the paid AIMIA staff and include office and salary expenses, membership and sponsorship revenue, the AIMIA Awards, AIMIA events etc. They exclude revenues and expenses associated with the IAB, AIMIA State chapters and AIMIA industry groups. These groups have other sources of revenue, often state government grants for specific projects that are invoiced in one financial year but spent in another and can create significant distortions in the AIMIA national office financial reporting.

Secondly, we report **AIMIA Group Financial Year Accounts**. These are the official audited accounts and cover all AIMIA revenues and expenses including all entities relating to AIMIA including the IAB, State Chapters, industry groups and also includes grants paid to AIMIA.

AIMIA National Office Financial Year Accounts

FY10 ended up being a much better year financially than expected with a \$99,773 net profit vs a budgeted net profit of \$19,057. This was largely due to the surge in revenue in the second half of the year combined with the fact that AIMIA was operating to a "GFC" budgeted with reduced expectations on revenue and a tight grip on costs. All revenue lines met or exceeded budget.

AIMIA Group Financial Year Accounts

The FY10 financial year accounts have been audited by Ross Ellice-Flint of Ellice-Flint and Co, in accordance with Australian Auditing Standards.

No anomalies were discovered and Ellice-Flint and Co has made no recommendations for improvements to our accounting and finance reporting. Please see the attached Auditors Financial Report for details.

Prepared by:

John Butterworth
Chief Executive Officer
AIMIA
March 2011