

ABCD

Australian Major Performing Arts Group

ACN 086 388 123

Annual financial report  
for the year ended  
31 December 2008

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
ACN 086 388 123

**DIRECTORS' REPORT**

For the year ended 31 December 2008

The directors present their report together with the financial report of the Australian Major Performing Arts Group (“the Group”) for the year ended 31 December 2008 and the auditor’s report thereon.

**Directors**

The directors of the Group at any time during or since the end of the financial year are:

Name	Age	Commencement date	Experience & special responsibilities
Derek Young Chair	60	Appointed 4 May 2005 Appointed Chair 2 May 2006	Chair, Melbourne Theatre Company Company Director of private companies
Timothy K F Cox AO	66	Appointed 31 August 2001 Resigned 17 April 2008	Chair, Bell Shakespeare Company Director of private companies
Ian J Kowalick	64	Appointed 10 April 2002	Chair, State Opera South Australia Company Director Adelaide Festival Centre Trust and other private and public companies
David Crawford	65	Appointed 26 February 2003	Chair, The Australian Ballet Company Director of listed and private companies
John Conde AO	60	Appointed 22 October 2007	Chairman Sydney Symphony Orchestra Company Director of listed and private companies
Bret Mattes	57	Appointed 22 October 2007	Chair West Australian Ballet Director of private and non-profit companies
Joan Sheldon AM	66	Appointed 19 April 2007	Chair Queensland Ballet Director of private companies and Executive in Residence Australian Institute of Management QLD
Rowan Ross	60	Appointed 31 January 2008	Chair, Australian Brandenburg Orchestra Company Director of listed and private companies.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
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**DIRECTORS' REPORT**  
For the year ended 31 December 2008

**Directors' meetings**

The number of directors' meetings and number of meeting attended by each of the directors of the Group during the financial year are:

Director	Meetings Attended during the financial year	Meetings held during the time director held office during the financial year
Derek Young	5	5
Tim Cox AO	2	2
Ian Kowalick	3	5
David Crawford	0	5
Bret Mattes	2	5
John Conde AO	2	5
Joan Sheldon AM	3	5
Rowan Ross	4	5

**Principal activities**

The principal activity of the Group during the course of the financial year was to promote the well being of and encourage support for the major performing arts in Australia.

The Group's main focus throughout the year was advocacy and representation to Federal and State Governments' on behalf of its members in order to ensure implementation of the Major Performing Arts Inquiry recommendations and to identify other major regulatory and financial issues before the industry, including the funding of tours and partial indexation of grants. The Group initiated a survey of corporate sponsorship and donations to the performing arts and organised member forums to discuss major issues. The Group also launched a public campaign entitled 'We All Play a Part' to involve the general population at the grass roots level to support and advocate for performing arts,

There were no changes in the nature of the activities of the Group during the year.

**Review and results of operations**

The Group's operations for the year resulted in a loss of \$19,676 (2007: loss of \$11,831).

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
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**DIRECTORS' REPORT**  
For the year ended 31 December 2008

#### State of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year.

#### Environmental regulation

The Group is not subject to any significant environmental regulation under either Commonwealth or State legislation. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

#### Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

#### Likely developments

The group will continue to pursue its policy of promoting the well being of and to encourage support for the major performing arts in Australia.

#### Indemnification and insurance of officers and auditors

The Group has agreed to indemnify the directors of the Group, Mr D Young, Mr T K F Cox, Mr I J Kowalick, Mr D Crawford, Mr B Mattes, Mr J Conde, Ms J Sheldon and Mr R Ross against all liabilities to another person (other than the Group or a related body corporate) that may arise from their position as directors of the Group, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

#### **Directors' benefits**

No director of the Group has received or become entitled to receive any benefit either by way of directors compensation or by reason of a contract made by the Group or a related entity with a Director or with a firm of which a Director is associated or with a group in which a Director has a substantial interest.

#### **Lead auditor's independence declaration**

The Lead auditor's independence declaration is set out on page 18 and forms part of the directors' report for financial year 2008.

This report is made with a resolution of the directors:

R.A Ross

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Director

Dated at Sydney this 30th day of March 2009.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
 INCOME STATEMENT  
 FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008	2007
		\$	\$
Revenue	3	308,000	196,000
Other income	4	19,500	9,000
Finance income	5	15,408	13,214
		<u>342,908</u>	<u>218,214</u>
Employee expenses		99,072	112,749
Consultancy and promotions		209,098	86,903
Travel expenses		10,207	14,619
Insurance		4,304	3,835
Service fee		3,251	5,155
Depreciation expense		542	470
Other		<u>36,110</u>	<u>6,314</u>
Loss for the period		<u>(19,676)</u>	<u>(11,831)</u>

The income statement is to be read in conjunction with the notes of the financial statements set out on pages 9 to 17.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
STATEMENT OF RECOGNISED INCOME AND EXPENSE  
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
Income and expense recognised directly in equity	-	-
Loss for the period	<u>(19,676)</u>	<u>(11,831)</u>
Total recognised income and expense for the period	<u><u>(19,676)</u></u>	<u><u>(11,831)</u></u>

The statement of recognised income and expense is to be read in conjunction with the notes to the financial statements set out on pages 9 to 17.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
BALANCE SHEET  
AS AT 31 DECEMBER 2008

	Note	2008 \$	2007 \$
<b>Current assets</b>			
Cash and cash equivalents		140,814	184,265
Trade and other receivables	6	<u>10,032</u>	<u>18,801</u>
<b>Total current assets</b>		<u>150,846</u>	<u>203,066</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	<u>1,426</u>	<u>66</u>
<b>Total non-current assets</b>		<u>1,426</u>	<u>66</u>
<b>Total assets</b>		<u>152,272</u>	<u>203,132</u>
<b>Current liabilities</b>			
Trade and other payables	8	51,756	50,011
Provisions	9	<u>-</u>	<u>17,399</u>
<b>Total current liabilities</b>		<u>51,756</u>	<u>67,410</u>
<b>Non-current liabilities</b>			
Provisions	9	<u>-</u>	<u>15,530</u>
<b>Total non-current liabilities</b>		<u>-</u>	<u>15,530</u>
<b>Total liabilities</b>		<u>51,756</u>	<u>82,940</u>
<b>Net assets</b>		<u>100,516</u>	<u>120,192</u>
<b>Equity</b>			
Retained earnings	10	<u>100,516</u>	<u>120,192</u>
<b>Total equity</b>		<u>100,516</u>	<u>120,192</u>

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 9 to 17.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008	2007
		\$	\$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		336,985	244,917
Cash paid to suppliers and employees		(394,577)	(263,527)
Interest received		<u>16,043</u>	<u>13,119</u>
<b>Net cash used in operating activities</b>	13	<u>(41,549)</u>	<u>(5,491)</u>
<b>Cash flows from investing activities</b>			
Cash payment for plant and equipments		<u>(1,902)</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(1,902)</u>	<u>(5,491)</u>
Net decrease in cash and cash equivalent		(43,451)	(5,491)
Cash and cash equivalent at 1 January		184,265	189,756
<b>Cash and cash equivalents at 31 December</b>		<u><u>140,814</u></u>	<u><u>184,265</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 17.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
ACN 086 388 123  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2008

## 1. Significant accounting policies

Australian Major Performing Arts Group (the “Group”) is a Group domiciled in Australia. The Group was incorporated in New South Wales on 22 February 1999 as a public company limited by guarantee.

The principal activity of the Group is to promote the well being of and encourage support for the major performing arts in Australia through advocacy and representation to Federal and State Governments on behalf of its members.

### (a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (“AASBs”) (including Australian Interpretations), adopted by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The financial report of the Group comply with the International Financial Reporting Standards adopted by the International Accounting Standards Board.

The financial report was approved by the Board of Directors on [ ] March 2009

### (b) Basis of preparation

The financial report is presented in Australian dollars and is prepared on the historical cost basis.

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statement are described in note 1 (m) - Employee entitlements. The accounting policies set out below have been consistently applied by the Group to all periods presented in these financial statements.

#### New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2008 but have not been applied in preparing this financial report;

- AASB 8 Operating Segments replaces the presentation requirements of segment reporting in AASB114 Segment Reporting. AASB 8 is applicable for annual reporting periods beginning on or after 1 January 2009. Once implemented the group will no longer be required to disclose segment reporting as the standard only applies to listed entities.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
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Significant accounting policies (continued)

(b) Basis of preparation (continued)

- Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly 'primary' statement) the 'statement of comprehensive income'. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Group's 31 December 2009 financial statements and is not expected to have an impact on the financial results of the Group.
- *AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process* and *AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 31 December 2009 financial statements, are not expected to have any impact on the financial statements.

(c) Going Concern

These financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(d) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

	2008	2007
Plant and equipment	3 years	3 years

The residual value, if not insignificant, is reassessed annually.

(e) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits.

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For the year ended 31 December 2008

(g) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(h) Trade and other payables

Trade and other payables are stated at amortised cost.

(i) Revenue

Subscription fees and levies are recognised as revenue when the Group gains control of the fee or the right to receive the fee.

Revenue is deferred when customers have been invoiced for products or services for which the revenue recognition criteria are not satisfied.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(j) Grants

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

(k) Fair Values

The fair values of financial assets and liabilities are not materially different to the carrying amounts shown in the balance sheet.

(l) Income tax

No income tax is provided for as the Group has been endorsed by the Australian Tax Office as an income tax-exempt non-profit organisation established for the encouragement of art.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
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NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2008

Significant accounting policies (continued)

(m) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) Employee entitlements

(i) Wages, salaries, and annual leave

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on rates that the Group expects to pay when liabilities are settled, including related on-costs.

(ii) Other long term benefits

The Group's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefits that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value and the fair value of any related asset is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations.

(iii) Superannuation

The Group contributes to a defined contribution employee superannuation plan. Contributions are charged against income as they are made.

(o) Financial risk management

The Group has exposure to credit risk and liquidity risk from its use of financial instruments.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

Significant accounting policies (continued)

(o) Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The Group's customers are its 28 members and credit risk is perceived to be low.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

(p) Accounting estimates and judgements

Management has been involved in the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

2. Segment reporting

The Group operates solely within Australia, in the performing arts industry.

3. Revenue

	2008	2007
	\$	\$
Members contributions	196,000	196,000
Members Levy (WAPAP)	112,000	-
	<u>308,000</u>	<u>196,000</u>

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	2008	2007
	\$	\$
4. Other Income		
Grant Received from Australia Council	2,500	9,000
APACA (WAPAP levy)	4,500	-
Live Performance Australia (WAPAP levy)	12,500	-
	<u>19,500</u>	<u>9,000</u>
5. Finance Income		
Interest received	<u>15,408</u>	<u>13,214</u>
6. Trade and other receivables		
Membership fees receivable	-	-
Sundry debtors	10,032	18,801
	<u>10,032</u>	<u>18,801</u>
7. Property, plant and equipment		
	Total	
	\$	
Cost		
Balance at 1 January 2007	8,178	
Acquisitions	-	
Balance at 31 December 2007	<u>8,178</u>	
Balance at 1 January 2008	8,178	
Acquisitions	1,902	
Balance at 31 December 2008	<u>10,080</u>	
Depreciation and impairment losses		
Balance at 1 January 2007	(7,642)	
Depreciation charge for the year	(470)	
Balance at 31 December 2007	<u>(8,112)</u>	
Balance at 1 January 2008	(8,112)	
Depreciation charge for the year	(542)	
Balance at 31 December 2008	<u>(8,654)</u>	
Carrying amounts		
At 1 January 2007	<u>536</u>	
At 31 December 2007	<u>66</u>	
At 1 January 2008	<u>1,968</u>	
At 31 December 2008	<u>1,426</u>	

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	2008	2007
	\$	\$
8. Trade and other payables		
Creditors	51,756	27,511
Deferred Revenue	-	22,500
	<u>51,756</u>	<u>50,011</u>
9. Provisions		
Current		
Provision for annual leave	-	17,399
Non-current		
Provision for long service leave	-	15,530
	<u>-</u>	<u>32,929</u>
Total provisions	<u>-</u>	<u>32,929</u>
<i>Number of employees</i>		
Number of employees at year end	<u>-</u>	<u>1</u>
10. Retained earnings reconciliation		
Retained earnings at the beginning of the financial year	120,192	132,023
Loss for the period	(19,676)	(11,831)
Retained earnings at the end of the financial year	<u>100,516</u>	<u>120,192</u>

AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
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NOTES TO THE FINANCIAL STATEMENTS  
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11. Financial Instruments

Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2008	2007
	\$	\$
Receivables	10,032	18,801
Cash and Cash equivalents	140,814	184,265
	<u>150,846</u>	<u>203,066</u>

Liquidity risk

Trade and other payables are due for payment within 30 days.

Interest rate risk

At the reporting date the interest rate profile of the Group's interest – bearing financial instruments was:

Financial assets	140,814	184,265
Financial liabilities	-	-
	<u>140,814</u>	<u>184,265</u>

A change of 100 base points in interest rates at the reporting date would have increased or decreased the Group's profit and loss by [ ] (2007: [ ])

12. Commitments and contingencies

The directors are not aware of any contingent liabilities or contingent assets where the probability of future payments or receipts is not considered remote.

13. Reconciliation of cash flows from operating activities

Cash flows from operating activities

Loss for the period	(19,676)	(11,831)
<i>Adjustments for:</i>		
Depreciation	542	470
Operating profit before changes in working capital and provisions	(19,134)	(11,361)
Decrease/(increase) in trade and other receivables	8,769	(7,020)
Increase in trade and other payables	1,745	5,977

(Decrease)/increase in provisions	<u>(32,929)</u>	<u>6,913</u>
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Net cash used in by operating activities	<u>(41,549)</u>	<u>(5,491)</u>
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AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

14 Related parties

Directors

The following were key management personnel of the group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period: Derek Young, Timothy K F Cox, Ian J Kowalick, David Crawford, Bret Mattes, John Conde, Joan Sheldon and Rowan Ross.

No Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year-end.

The key management personnel receive no compensation in relation to the management of the Group.

15 Auditors remuneration

	2008	2007
	\$	\$
<i>KPMG Australia</i>		
Audit and review of financial report	3,000	3,000

16 A Company limited by guarantee

Each member undertakes to contribute to the property of the Group if the company is wound up whilst they are a member, or within one year after they cease to be a member, for payment of the Group's debts and liabilities contracted before they cease to be a member such amount as may be required, but not exceeding \$10.

This includes the costs, charges and expenses of winding up the Group and for the adjustment of the rights of the contributories among themselves.

As at 31 December 2008, there were 28 members (2007: 28 members).

Each member has one vote at any general meeting of the group.

17 Other information

The Group is incorporated and domiciled in Australia. The address of the company's registered office is Level 3, 10 Hickson Rd, The Rocks, NSW 2000.

18 Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in future financial years.

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AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
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**Directors' declaration**

- 1 In the opinion of the directors of Australian Major Performing Arts Group (“the Group”)
- (a) the financial statements and notes that are contained in set out on pages 5 to 17 are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Group’s financial position as at 31 December 2008 and of its performance for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
  - (b) the financial report also complies with International Financial Reporting Standards as disclosed in note (a); and
  - (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Derek Young

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*Director*

Dated at Sydney this .....25th..... day of .....March..... 2009

**Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

To: the directors of Australian Major Performing Arts Group

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Louise Hendry  
*Partner*

Sydney

30 March 2009

# Independent auditor's report to the members of Australian Major Performing Arts Group

## Report on the financial report

We have audited the accompanying financial report of Australian Major Performing Arts Group (the Group), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration set out on pages 9 to 18.

### *Directors' responsibility for the financial report*

The directors of the Group 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 *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control 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.

In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### *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 directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's financial position and of its performance.

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 *Corporations Act 2001*

# Independent auditor's report to the members of Australian Major Performing Arts Group (continued)

## Report on the financial report (continued)

### *Auditor's opinion*

In our opinion:

(a) the financial report of Australian Major Performing Arts Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2008 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a)

KPMG

Louise Hendry  
*Partner*

Sydney

6 April 2009