

Australian Major Performing Arts Group

ACN 086 388 123

Annual financial report
for the year ended
31 December 2006

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
DIRECTORS' REPORT
For the year ended 31 December 2006

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 2006 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 Chairperson	58	Appointed 4 May 2005 Appointed Chair 2 May 2006	Chair, Melbourne Theatre Company Company Director of private companies
Timothy K F Cox AO	64	Appointed 31 August 2001 Appointed Chair 23 April 2005 Resigned as Chair 2 May 2006	Consultant, Cox Inall Communications Chair, The Bell Shakespeare Company
Ian J Kowalick	62	Appointed 10 April 2002	Chair, State Opera South Australia Company Director Adelaide Festival Centre Trust and other private and public companies
David Crawford	62	Appointed 26 February 2003	Chair, The Australian Ballet Company Director of listed and private companies
Frank Cooper	50	Appointed 26 February 2003 Resigned 15 November 2006	Chair, Western Australia Opera Partner, PricewaterhouseCoopers
Martin D Kriewaldt	55	Appointed 6 May 2003	Chair, Opera Queensland Consultant, Allens Arthur Robinson Company Director of listed and private companies
Louise Herron	47	Appointed 5 February 2004	Chair, Company B Corporate Advisor, Carnegie Wylie
David Maloney	58	Appointed 17 August 2004	Chair, Sydney Symphony Partner, Allens Arthur Robinson
Michael Chappell	38	Appointed 7 December 2006	Chair Western Australia Ballet Director, Pracsys

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
DIRECTORS' REPORT
For the year ended 31 December 2006

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	4	5
Tim Cox	5	5
Ian Kowalick	3	5
David Crawford	1	5
Frank Cooper	1	4
Martin Kriewaldt	2	5
Louise Herron	3	5
David Maloney	3	5
Michael Chappell	1	1

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.

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 \$22,954 (2005: loss of \$52,334).

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.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
DIRECTORS' REPORT
For the year ended 31 December 2006

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 F Cooper, Mr M Kriewaldt, Ms L Herron, Mr D Maloney, and Mr M Chappell 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 16 and forms part of the directors' report for financial year 2006.

This report is made with a resolution of the directors:

Director

Dated at Sydney this day of 2007.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
Revenue from ordinary activities	3	151,110	151,287
Employee expenses		95,736	96,736
Consultancy and promotions		40,265	58,511
Travel expenses		14,722	19,605
Depreciation expense		856	790
Insurance		1,092	3,765
Service fee		3,209	3,150
Other		<u>18,184</u>	<u>21,064</u>
Loss for the period		<u><u>(22,954)</u></u>	<u><u>(52,334)</u></u>

The income statement is to be read in conjunction with the notes of the financial statements set out on pages 9 to 14.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP
STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	\$	\$
Net income recognised directly in equity	-	-
Loss for the period	<u>(22,954)</u>	<u>(52,334)</u>
Total recognised income and expense for the period	<u>(22,954)</u>	<u>(52,334)</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 14.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP
BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
Current assets			
Cash and cash equivalents		189,756	189,874
Trade and other receivables	4	<u>11,781</u>	<u>9,448</u>
Total current assets		<u>201,537</u>	<u>199,322</u>
Non-current assets			
Property, plant and equipment	5	<u>536</u>	<u>1,392</u>
Total non-current assets		<u>536</u>	<u>1,392</u>
Total assets		<u>202,073</u>	<u>200,714</u>
Current liabilities			
Trade and other payables	6	44,034	26,840
Provisions	7	<u>12,588</u>	<u>9,553</u>
Total current liabilities		<u>56,622</u>	<u>36,393</u>
Non-current liabilities			
Provisions	7	<u>13,428</u>	<u>9,344</u>
Total non-current liabilities		<u>13,428</u>	<u>9,344</u>
Total liabilities		<u>70,050</u>	<u>45,737</u>
Net assets		<u>132,023</u>	<u>154,977</u>
Equity			
Retained earnings	8	<u>132,023</u>	<u>154,977</u>
Total equity		<u>132,023</u>	<u>154,977</u>

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 9 to 14.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
Cash flows from operating activities			
Cash receipts in the course of operations		167,355	243,218
Cash paid to suppliers and employees		<u>(167,473)</u>	<u>(264,983)</u>
Net cash used in operating activities	10	<u>(118)</u>	<u>(21,765)</u>
Cash flows used in investing activities			
Cash paid for plant and equipment	5	<u>-</u>	<u>(529)</u>
Net cash used in investing activities		<u>-</u>	<u>(529)</u>
Net (decrease)/increase in cash and cash equivalents		(118)	(22,294)
Cash and cash equivalents at 1 January		<u>189,874</u>	<u>212,168</u>
Cash and cash equivalents at 31 December		<u><u>189,756</u></u>	<u><u>189,874</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 14.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

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 financial report was authorised for issue by the directors 14 March 2007.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (“AASBs”), Urgent Issues Group Interpretations (“UIGs”) 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.

(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 policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Group.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 1.

(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.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

Significant accounting policies (continued)

(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:

	2006	2005
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 cost less impairment losses.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits.

(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 cost.

(i) Revenue

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

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

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

Significant accounting policies (continued)

(j) 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.

(k) 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.

(l) 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 undisclosed amounts based on rates that the Group expects to pay when liabilities are settled, including related on-costs.

(ii) Superannuation

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

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

1. 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 from ordinary activities

	2006	2005
	\$	\$
Members contributions	140,000	137,500
Interest Received	11,110	13,787
	<u>151,110</u>	<u>151,287</u>

4. Trade and other receivables

Membership fees receivable	-	-
Sundry debtors	11,781	9,448
	<u>11,781</u>	<u>9,448</u>

5. Property, plant and equipment

	Total
	\$
Cost	
Balance at 1 January 2005	7,649
Acquisitions	529
Balance at 31 December 2005	<u>8,178</u>
Balance at 1 January 2006	8,178
Acquisitions	-
Balance at 31 December 2006	<u>8,178</u>
Depreciation and impairment losses	
Balance at 1 January 2005	(5,996)
Depreciation charge for the year	(790)
Balance at 31 December 2005	<u>(6,786)</u>
Balance at 1 January 2006	(6,786)
Depreciation charge for the year	(856)
Balance at 31 December 2006	<u>(7,642)</u>
Carrying amounts	
At 1 January 2005	1,653
At 31 December 2005	<u>1,392</u>
At 1 January 2006	1,392
At 31 December 2006	<u>536</u>

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

	2006	2005
	\$	\$
6. Trade and other payables		
Creditors	<u>44,034</u>	<u>26,840</u>
7. Provisions		
Current		
Provision for annual leave	12,588	9,553
Non-current		
Provision for long service leave	13,428	9,344
Total provisions	<u>26,016</u>	<u>18,897</u>
<i>Number of employees</i>		
Number of employees at year end	1	1
8. Retained earnings reconciliation		
Retained earnings at the beginning of the financial year	154,977	207,311
Loss for the period	<u>(22,954)</u>	<u>(52,334)</u>
Retained earnings at the end of the financial year	<u>132,023</u>	<u>154,977</u>
9. Commitments and contingencies		
<p>The directors are not aware of any contingent liabilities or contingent assets where the probability of future payments or receipts is not considered remote.</p>		
10. Reconciliation of cash flows from operating activities		
Cash flows from operating activities		
Loss for the period	(22,954)	(52,334)
<i>Adjustments for:</i>		
Depreciation	<u>856</u>	<u>790</u>
Operating profit before changes in working capital and provisions	(22,098)	(51,544)
(Increase) / Decrease in trade and other receivables	(2,333)	160,359
Increase / (Decrease) in trade and other payables	17,194	(2,902)
Increase/(decrease) in provisions	<u>7,119</u>	<u>12,322</u>
Net cash (used in)/provided by operating activities	<u>(118)</u>	<u>(21,765)</u>

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

11. Related parties

Directors

The names of each person holding the position of Director of the Group during the financial year are Derek Young, Timothy K F Cox, Ian J Kowalick, David Crawford, Frank Cooper, Martin Kriewaldt, Louise Herron, David Maloney and Michael Chappell.

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.

No directors' fees were paid by the Group.

12. Auditors remuneration

Audit and other services have been provided by KPMG without charge.

13. 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 2006, there were 28 members (2005: 28 members).

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

14. 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.

15. 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.

AUSTRALIAN MAJOR PERFORMING ARTS GROUP
ACN 086 388 123
DIRECTORS' DECLARATION

In the opinion of the directors of the Australian Major Performing Arts Group ("the Group"):

- (a) the financial statements and notes, set out on pages 5 to 14, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Group as at 31 December 2006 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Dated at Sydney this day of 2007

Signed in accordance with a resolution of the directors:

Director

Independent audit report to the members of Australian Major Performing Arts Group

Scope

We have audited the financial report of the Australian Major Performing Arts Group ("the Group") for the financial year ended 31 December 2006, consisting of the income statements, statements of changes in recognised income and expense, balance sheets, statements of cash flows, accompanying notes 1 to 15, and the directors' declaration set out on page 15. The Group's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Group.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Group's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of the Australian Major Performing Arts Group is in accordance with:

- a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the Group's and the consolidated entity's financial position as at 31 December 2006 and of their performance for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

KPMG

Anthony Travers
Partner

Place: Sydney
Date: