

Australian Major Performing Arts Group

ACN 086 388 123

Annual financial report  
for the year ended  
31 December 2005

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP**  
**ACN 086 388 123**  
**DIRECTORS' REPORT**  
**For the year ended 31 December 2005**

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 2005 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:

<b>Name</b>	<b>Age</b>	<b>Commencement date</b>	<b>Experience &amp; special responsibilities</b>
Timothy K F Cox AO Chairperson	63	Appointed 31 August 2001 Appointed Chairperson 23 April 2005	Chairman, Melbourne Theatre Company Consultant, Allens Arthur Robinson Chancellor, University of Melbourne Company Director
Ian A Renard Chairperson	59	Appointed 23 November 2000. Resigned 23 April 2005	Consultant, Cox Inall Communications Chair, The Bell Shakespeare Company
Ian J Kowalick	61	Appointed 10 April 2002	Chair, State Opera South Australia Company Director Adelaide Festival Centre Trust and other private and public companies
David Crawford	61	Appointed 26 February 2003	Chair, The Australian Ballet Company Director of listed and private companies
Frank Cooper	49	Appointed 26 February 2003	Chair, West Australia Opera Partner, PricewaterhouseCoopers
Martin D Kriewaldt	54	Appointed 6 May 2003	Chair, Opera Queensland Consultant, Allens Arthur Robinson Company Director of listed and private companies
Louise Herron	46	Appointed 5 February 2004	Chair, Company B Corporate Advisor, Carnegie Wylie
David Maloney	57	Appointed 17 August 2004	Chair, Sydney Symphony Partner, Allens Arthur Robinson
Derek Young	58	Appointed 4 May 2005	Chair, Melbourne Theatre Company Company Director of private companies

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP**  
**ACN 086 388 123**  
**DIRECTORS' REPORT**  
**For the year ended 31 December 2005**

**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:

<b>Director</b>	<b>Meetings Attended</b>	<b>Meetings held during the time director held office</b>
Tim Cox	7	7
Ian Renard	3	3
Ian Kowalick	6	7
David Crawford	4	7
Frank Cooper	5	7
Martin Kriewaldt	2	7
Louise Herron	4	7
David Maloney	5	7
Derek Young	3	4

**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 \$52,334 (2004: gain of \$11,691). The result came after an increase in the level of activities in research and communications, including establishment of on-line information on performing arts, and establishment of a provision for long service leave.

**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 under review.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP**  
**ACN 086 388 123**  
**DIRECTORS' REPORT**  
**For the year ended 31 December 2005**

**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 T K F Cox, Mr I Renard, Mr I J Kowalick, Mr D Crawford, Mr M Kriewaldt, Mr F Cooper, Mr D Maloney, Ms L Herron and Mr D Young 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.

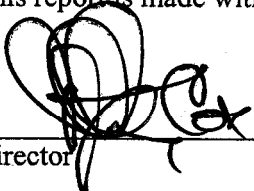
**Directors' benefits**

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 17 and forms part of the directors' report for financial year 2005.

This report is made with a resolution of the directors:

  
\_\_\_\_\_  
Director

Dated at Sydney this 23<sup>rd</sup> day of March 2006.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	<b>Note</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	3	151,287	148,558
Employee expenses		96,736	65,165
Travel expenses		19,605	13,697
Depreciation expense		790	1,635
Insurance		3,765	6,163
Service fee		3,150	3,125
Consultancy and promotions		58,511	33,395
Other		<u>21,064</u>	<u>13,687</u>
<b>(Loss)/profit for the period</b>		<u><u>(52,334)</u></u>	<u><u>11,691</u></u>

The income statement is to be read in conjunction with the notes of the financial statements set out on pages 9 to 15.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
STATEMENT OF RECOGNISED INCOME AND EXPENSE  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	<b>2005</b>	<b>2004</b>
	\$	\$
<b>Net income recognised directly in equity</b>	-	-
<b>(Loss)/profit for the period</b>	<u>(52,334)</u>	<u>11,691</u>
<b>Total recognised income and expense for the period</b>	<u><u>(52,334)</u></u>	<u><u>11,691</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 15.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
BALANCE SHEET  
AS AT 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
<b>Current assets</b>			
Cash and cash equivalents		189,874	212,168
Trade and other receivables	4	<u>9,448</u>	<u>169,807</u>
<b>Total current assets</b>		<u>199,322</u>	<u>381,975</u>
<b>Non-current assets</b>			
Property, plant and equipment	5	<u>1,392</u>	<u>1,653</u>
<b>Total non-current assets</b>		<u>1,392</u>	<u>1,653</u>
<b>Total assets</b>		<u>200,714</u>	<u>383,628</u>
<b>Current liabilities</b>			
Trade and other payables	6	26,840	29,742
Provisions	7	9,553	6,575
Deferred income		<u>-</u>	<u>140,000</u>
<b>Total current liabilities</b>		<u>36,393</u>	<u>176,317</u>
<b>Non-current liabilities</b>			
Provisions	7	<u>9,344</u>	<u>-</u>
<b>Total non-current liabilities</b>		<u>9,344</u>	<u>-</u>
<b>Total liabilities</b>		<u>45,737</u>	<u>176,317</u>
<b>Net assets</b>		<u>154,977</u>	<u>207,311</u>
<b>Equity</b>			
Retained earnings	8	<u>154,977</u>	<u>207,311</u>
<b>Total equity</b>		<u>154,977</u>	<u>207,311</u>

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 9 to 15.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		243,218	157,181
Cash paid to suppliers and employees		<u>(264,983)</u>	<u>(141,852)</u>
<b>Net cash (used in)/provided by operating activities</b>	10	<u>(21,765)</u>	<u>15,329</u>
<b>Cash flows used in investing activities</b>			
Cash paid for plant and equipment	5	<u>(529)</u>	<u>(2,041)</u>
<b>Net cash used in investing activities</b>		<u>(529)</u>	<u>(2,041)</u>
Net (decrease)/increase in cash and cash equivalents		(22,294)	13,288
Cash and cash equivalents at 1 January		<u>212,168</u>	<u>198,880</u>
<b>Cash and cash equivalents at 31 December</b>		<u><u>189,874</u></u>	<u><u>212,168</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 15.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP**  
**ACN 086 388 123**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2005**

**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 22 March 2005.

**(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. International Financial Reporting Standards (“IFRSs”) form the basis of Australian Accounting Standards (“AASBs”) adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS (“AIFRS”) to distinguish from previous Australian GAAP.

This is the Group’s first financial report prepared in accordance with Australian Accounting Standards, being AIFRS and AASB 1 *First-Time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied. An explanation of how the transition to AIFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 16.

**(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 in conformity with Australian Accounting Standards 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.

The accounting policies set out below have been applied consistently to all periods presented in the financial report for the purposes of the transition to Australian Accounting Standards – AIFRS.

**(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 2005**

**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:

	<b>2005</b>	<b>2004</b>
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.

The recoverable amount of the Group's receivables are carried at amortised cost and are not discounted.

The recoverable amount of other assets are calculated as the depreciated replacement cost of the asset.

**(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 2005**

**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 2005**

**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**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Members contributions	137,500	137,500
Other	<u>13,787</u>	<u>11,058</u>
	<u><u>151,287</u></u>	<u><u>148,558</u></u>

**4. Trade and other receivables**

Membership fees receivable	-	162,250
Sundry debtors	<u>9,448</u>	<u>7,557</u>
	<u><u>9,448</u></u>	<u><u>169,807</u></u>

**5. Property, plant and equipment**

	<b>Total</b>
	<b>\$</b>
<b>Cost</b>	
Balance at 1 January 2004	5,608
Acquisitions	<u>2,041</u>
Balance at 31 December 2004	<u><u>7,649</u></u>
Balance at 1 January 2005	7,649
Acquisitions	<u>529</u>
Balance at 31 December 2005	<u><u>8,178</u></u>
<b>Depreciation and impairment losses</b>	
Balance at 1 January 2004	(4,361)
Depreciation charge for the year	<u>(1,635)</u>
Balance at 31 December 2004	<u><u>(5,996)</u></u>
Balance at 1 January 2005	(5,996)
Depreciation charge for the year	<u>(790)</u>
Balance at 31 December 2005	<u><u>(6,786)</u></u>
<b>Carrying amounts</b>	
At 1 January 2004	1,247
At 31 December 2004	1,653
At 1 January 2005	1,653
At 31 December 2005	<u><u>1,392</u></u>

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP**  
**ACN 086 388 123**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2005**

	<b>2005</b>	<b>2004</b>
	\$	\$
<b>6. Trade and other payables</b>		
Creditors	26,840	29,742
<b>7. Provisions</b>		
<b>Current</b>		
Provision for annual leave	9,553	6,575
<b>Non-current</b>		
Provision for long service leave	9,344	-
<b>Total provisions</b>	18,897	6,575
<i>Number of employees</i>		
Number of employees at year end	1	1
<b>8. Retained earnings reconciliation</b>		
Retained earnings at the beginning of the financial year	207,311	195,620
(Loss)/profit for the period	(52,334)	11,691
Retained earnings at the end of the financial year	154,977	207,311
<b>9. Commitments and contingencies</b>		
The directors are not aware of any contingent liabilities or contingent assets where the probability of future payments or receipts is not considered remote.		
<b>10. Reconciliation of cash flows from operating activities</b>		
<b>Cash flows from operating activities</b>		
(Loss)/profit for the period	(52,334)	11,691
<i>Adjustments for:</i>		
Depreciation	790	1,635
<b>Operating profit before changes in working capital and provisions</b>	(51,544)	13,326
Decrease/(Increase) in trade and other receivables	160,359	(10,844)
(Decrease)/increase in deferred revenue	(140,000)	-
(Decrease)/increase in trade and other payables	(2,902)	12,357
Increase/(decrease) in provisions	12,322	490
<b>Net cash (used in)/provided by operating activities</b>	(21,765)	15,329

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP**  
**ACN 086 388 123**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2005**

**11. Related parties**

**Directors**

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

Ian A Renard resigned as Chairperson on 4 May 2005.

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 2005, there were 28 members (2004: 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 Road, The Rocks, NSW 2000.

**15. Events subsequent to balance date**

Based upon our review and investigation, and the representations from management, we conclude that no material events have occurred until the date of this report that would require adjustment or disclosure.

**16. Explanation of transition to AIFRs**

As stated in significant accounting policies note (a), these are the Group's first financial statements prepared in accordance with AIFRSs.

**AUSTRALIAN MAJOR PERFORMING ARTS GROUP**  
**ACN 086 388 123**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2005**

**16. Explanation of transition to AIFRSs (continued)**

The policies set out in the significant accounting policies section of this report have been applied in preparing the financial statements for the year ended 31 December 2005, the comparative information presented in these financial statements for the year ended 31 December 2004 and in the preparation of an opening AIFRS balance sheet at 1 January 2004 (the Group's date of transition).

In preparing its opening AIFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (previous GAAP). There has been no material impact on the Group's financial position, financial performance and cash flows on transition from previous GAAP to AIFRSs.


**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 9 to 15, 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 2005 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 23rd day of June 2006.

Signed in accordance with a resolution of the directors:

  
\_\_\_\_\_  
Director

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

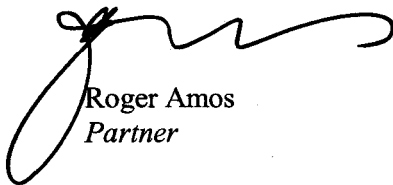
To: the directors of the Australian Major Performing Arts Group

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2005 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 review.



KPMG



Roger Amos  
*Partner*

Sydney

24 March 2006



## Independent audit report to the members of the 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 2005, consisting of the income statement, statements of changes in recognised income and expense, balance sheets, statements of cash flow, accompanying notes 1 to 16, and the directors' declaration, set out on page 16. The Group's directors are responsible for the financial report. The directors are also responsible for preparing the relevant reconciling information regarding the adjustments required under the Australian Accounting Standard AASB 1 *First-time Adoption of Australian equivalents to International Financial Reporting Standards*. 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 equivalents to International Financial Reporting 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 2005 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



Roger Amos  
Partner

Place: Sydney  
Date: 24/3/06