



Sydney Symphony Limited
AND ITS CONTROLLED ENTITIES

A.B.N. 50 121 561 528

ANNUAL FINANCIAL REPORT

31 December 2013

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Directors Report

The Directors present their report together with the financial report of Sydney Symphony Limited, the Parent Entity and its controlled entity Sydney Symphony Orchestra Holdings Pty Limited (the Group) for the year ended 31 December 2013.

Directors

The Directors in office, at any time during or since the financial period until the date of this report, are:

John Conde AO (Chairman)
Rory Jeffes (Managing Director)
Terrey Arcus AM
Ewen Crouch AM
Ross Grant
Jennifer Hoy
Andrew Kaldor AM
Irene Lee Resigned 10th October 2013
David Livingstone
Goetz Richter

Company Secretary

John Horn

Qualification of Directors

Director	Experience and Qualifications
John Conde AO (Chairman)	BSc, BE (Hons) Syd; MBA (Dist) Harv. Chairman of BUPA Australia Pty Limited Deputy Chairman of Whitehaven Coal Limited President of The Commonwealth Remuneration Tribunal Director of DEXUS Property Group Director of AFC Asian Cup (2015) Chairman of the Australian Olympic Committee (NSW) Fundraising Committee Chairman of Cooper Energy Limited Chairman of the McGrath Foundation
Rory Jeffes (Managing Director)	MA, Oxon Director Symphony Services Australia Limited
Terrey Arcus AM	BSc, BE (Hons) Syd; MBA (Dist) Harv. Director of Port Jackson Partners Limited
Ewen Crouch AM	BEC (Hons) LLB Syd, FAICD Director, BlueScope Steel Limited Director, Westpac Banking Corporation Chairman, Mission Australia Alternate Director, Working Links (Employment) Limited Consultant, Allens (formerly Allens Partner 1988-2013 and Chairman of Partners 2009-2013)
Ross Grant	BSc (Hons), MCom (Hons), MBA Chairman of Grant Samuel Group Director of The Centre for Independent Studies Director of Australian Wildlife Conservancy Director of Australian Mitochondrial Disease Foundation Director of Waratahs Rugby
Jennifer Hoy	MMus (P); BMus Hons (P) Syd; Dip Law (LPAB) Violinist - Sydney Symphony Orchestra
Andrew Kaldor AM	B.Ec. (Hons) Syd.; MBA (Teaching Fellow), Wharton Chairman of Pelikan Artline Pty Ltd Chairman of Supertex Pty Ltd Chairman of Andrew & Renata Kaldor Centre for International Refugee Law

Irene Lee	BA, Smith College, USA Barrister at Law, Inns of Court, School of Law, Gray's Inn, UK Independent Non-Executive Director, Cathay Pacific Airways Ltd Chairman of Hysan Development Company Ltd Member, Advisory Council, J.P. Morgan Independent, Non-Executive Director, Noble Group Limited Independent Non-Executive Director, CLP Holdings Independent, Non-Executive Director, The Hongkong and Shanghai Banking Corporation Limited
David Livingstone	BEd (Hons) Macq; MA Cantab Vice Chairman Investment Banking EMEA, Credit Suisse AG Director of the Cathy Freeman Foundation
Dr. Goetz Richter	Kstl, Staatsdiplom (Munich), BA (Hons I), Syd; PhD, Syd Violinist Associate Professor & Chair Strings, Sydney Conservatorium President, Sydney Schubert Society Inc. Artistic Director, Kendall National Violin Competition President, Live Music Sydney

Principal Activity

The principal activity of the Group was the performance of symphonic music. There were no significant changes in the nature of the activity of the Group during the year.

Strategy

The Group's vision is to occupy the position of being a pre-eminent orchestra in the Asia-Pacific region within twenty years. This vision was updated during the year in conjunction with the formulation of a new five year strategic plan in 2012.

The strategy will be achieved through a combination of outstanding concert performances domestically and abroad, internationally-recognised education and artist development programmes, and unparalleled accessibility and reach through the SSO's competitive advantage in quality of performance, artistic vibrancy and digital dissemination and content production.

Achievements against key strategic priorities in the 2013 financial year are outlined below:

- **Artistic Leadership**

The Principal Conductor and Artistic Advisor between 2009 and 2013 was Vladimir Ashkenazy. Vladimir Ashkenazy has led the orchestra in numerous important projects in his final year of his tenure with the orchestra. The orchestra has appointed David Robertson as Chief Conductor and Artistic Director designate for five years commencing from the 2014 season.

- **Emerging Artists**

The Group continues to support emerging artists through the promotion of young talented performers through vehicles such as the Sydney Symphony Assistant Conductor programme, Young and Emerging artist mainstage performances, Sydney Symphony Fellowship programme, Sydney Sinfonia training orchestra and the Sydney Symphony Sinfonietta programme for young composers.

- **International Touring**

The Group plans to continue with its programme of international touring to raise the profile and experience of the orchestra. No tours were conducted in 2013, however in June 2014, the Orchestra plans to return to overseas touring with a series of concerts and cultural events in the People's Republic of China.

- **International Presence**

The Group is continuing to increase its presence in Asia through consolidated touring, education, and outreach activities. In 2013, the priority was to progress on educational and marketing assistance under our Memorandum of Understanding with both the Xinghai Conservatory, Guangzhou and The National Centre for the Performing Arts, Beijing. These relationships continue to set the framework for the orchestra to make a significant contribution to Australian engagement in the Asian Century through culture and people-to-people diplomacy.

- **Orchestral Instruments**

To improve the quality of sound produced by the orchestra, the Group has an Instrument Reserve which will continue to acquire fine instruments. The Group also supports musicians who wish to acquire fine instruments independently.

- **Acoustic Improvement Sydney Opera House**

The Group is the resident orchestra at the Sydney Opera House and is in regular consultation with the Sydney Opera House to improve the acoustics in the main concert hall.

- **Education**

The Group has an award winning education programme and plans to continue with online delivery and content innovations to increase the reach and impact of this programme throughout Sydney and regional NSW.

- **Regional Touring**

The Group tours annually to regional NSW to promote live symphonic music to the rural communities of NSW through a series of classical and education concerts.

In addition to the above priorities, the Group continues with its strategic endeavours in respect of ongoing financial viability.

Process for Self Assessment of Artistic Quality

There is an approved process in place for self-assessment of artistic quality and the Board confirms that:

- a) the nature and the outcomes of this process have been discussed during the 2013 financial year;
- b) these outcomes have informed the future planning of the Group; and
- c) the self assessment process in place draws on a variety of verifiable internal and external sources primarily:
 - The Orchestra's Artistic Committee.
 - Listening panel sessions with musicians and administration.
 - Peer Review panel comprised of expert academics, critics and classical music industry professionals.
 - Assessment by Principal Conductor and Artistic Advisor.
 - Assessment by visiting conductors and soloists.
 - Assessment by ABC recording producers.
 - Review through national and international press coverage.
 - Audience feedback, through surveys and other communication channels.

Reserves Policy

The Group maintains a number of reserves as outlined in the financial statements and related notes to the financial statements. The Group, by virtue of the Tripartite Agreement between the controlled entity, the Australia Council and Arts NSW, is mandated to use reasonable endeavours to maintain and improve its overall financial viability, having regard to both reserves and annual results. The Group plans to maintain reserves at the minimum level of 20% of the Group's annual costs. At 31 December 2013, the level of reserves totalled 28% of the Groups' annual costs (2012 - 28%).

Key Performance Indicators

The Group's business plan outlines the objectives and strategy for the Group and dictates the key performance indicators (KPIs) that the Group monitors, targets and measures. A summary of the 2013 KPI targets and achievements is outlined below:

KPI	Definition	Target	Results
Orchestra Artistic Performance	Analysis and compilation of the results of the Artistic Self Assessment Process.	Critical Rating greater than the 80 th percentile during the year.	Achieved with overall performances assessed as exceeding expectations. David Robertson's Wagner – The Flying Dutchman and Vladimir Ashkenazy's Britten - War Requiem were the artistic highlights of the season.
Education Programme Development	Develop and enhance the Sydney Symphony's world class education programme.	Complete and deliver online kits to NSW school educators and enhance whiteboard kits.	Completed with online kits again well received by educators.
Artform Development - Australian Compositions	Feature contemporary Australian composers and promote new commissions.	Achieve 2013 Australian content as per season programme and continue commission work for Australian premieres.	Australian content delivered as per programme. Three commissions have been completed in 2013 and a further three donor funded co-commissions are underway with leading Australian composers.
Audience Development - Occupancy - Brand Strategy	Occupancy levels for mainstage core programmes. Design and implement brand strategy across physical and web presence.	80% average occupancy target. Enhance and improve brand recognition.	84% occupancy levels achieved for 2013. A new brand identifier constructed and launched in August 2013 with the trading name of the company returning to "Sydney Symphony Orchestra".
Financial Stability - Reserves	Reserves to total Group expenses.	Meet or exceed 20%.	Exceeded - actual reserves at 28% of Group expenses.
Financial Stability - Operating result	Net operating result before reserve activities.	Meet or exceed annual targets.	Ticket sales were below expectations in difficult market conditions.

Review and Results of Operations

The Group achieved a net profit for the 2013 year of \$97,032 (2012: \$425,613) after including Maestro Circle donations of \$190,000 (2012: \$230,000). The net operating result for the year was impacted by difficult trading conditions in a competitive arts market in Sydney. Whilst ticket sales revenue increased by 5% over 2012, set targets were not achieved. Subdued economic conditions and reduced touring activity also impacted corporate sponsorship and other revenue. Inflationary pressures on costs again exceeded the indexation levels on Government funding.

The Group presented the Sydney Symphony, the Sydney Sinfonia and the Sydney Symphony Fellows in performances to a total audience of more than 300,000 people during the year ended 31 December 2013 in Sydney, outer metropolitan and regional NSW performing arts centres. The Company did not undertake an international tour in the 2013 year.

State of affairs

Other than as mentioned elsewhere, in the opinion of the Directors, there were no other significant changes in the underlying state of affairs of the Group that occurred during the year.

Likely developments

The Group has scheduled performances of symphonic and other orchestral music, which it will continue to present during the next financial year. The Group's continuing viability is dependent on maintaining its current level of funding, especially government funding. The Group has the intention to return to international touring in the 2014 financial year.

Dividends

No dividends have been paid by the Group.

Events subsequent to balance date

No events have occurred subsequent to balance date and up to the date of this report that materially affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Environmental regulations and performance

The Group is not subject to any particular or significant environmental regulation.

Directors' Meetings

The number of meetings of the Board of Directors and of the Board Committees during the financial year are set out in the table as follows:

<i>Meeting Type</i>	Board		Finance Audit & Risk		Nomination & Remuneration	
	A	B	A	B	A	B
Number of Meetings Attended (A)						
Number of Meetings Eligible (B)						
John Conde AO - Note 1	6	6	1	-	1	1
Rory Jeffes – Note 1	6	6	4	-	1	-
Terrey Arcus AM	6	6	-	-	1	1
Ewen Crouch AM	5	6	4	4	-	-
Ross Grant	6	6	4	4	-	-
Jennifer Hoy	5	6	-	-	-	-
Andrew Kaldor AM	6	6	4	4	-	-
Irene Lee	5	5	-	-	-	-
Goetz Richter	4	6	-	-	1	1
David Livingstone	5	6	4	4	-	-

Note 1- Both the Chairman of the Board and the Managing Director and the Director of Finance attend meetings of the Finance Audit and Risk Committee by invitation. All other directors who are not committee members and the external auditors may attend the meetings of the Finance Audit and Risk Committee at their discretion.

Directors' Remuneration

Directors are not paid any fees for their services as Directors of the Group.
Details of directors' remuneration are disclosed in Note 21.

Indemnification and insurance of Officers

Information on the indemnification and insurance of officers can be found in Note 25.

Auditor's Independence Declaration

The Auditor's Independence Declaration forms part of the Directors Report, and is set out on page 10.

Signed in accordance with a resolution of the Directors:



John Conde AO
Chairman

Sydney, dated 31st March 2014

Corporate Governance Statement

This statement outlines the Group's corporate governance practices and addresses the Essential Governance Practice Principles published and monitored by the Australia Council for the Arts. These principles are based on the recommendations published by the ASX Corporate Governance Council. As at 31 December 2013, the Group has achieved substantial compliance with the recommendations as outlined below;

Principle 1: Lay Solid Foundations for Management and Oversight

The Group's Governance Framework incorporates Board and Board Committee Charters and a Code of Conduct. There is also a formal statement of delegated authority to management and an induction procedure for new directors.

A Board agenda is set at the start of the year and includes meetings for the Board to determine Group strategy, five-year business plans, and the programme for the following season, the budget for the following year and the Group's annual risk review.

Principle 2: Structure the Board to Add Value

The Board includes Directors with a range of skills including finance and accounting, business (both public companies and private business) and commercial experience, public affairs, law, performance of orchestral music and music education. This experience is set out in their biographies.

The Board is supported by a Finance, Audit and Risk Committee (refer Principle 5) and a Nomination and Remuneration Committee, each of which has an individual charter setting out its responsibilities and operating principles.

The Nomination and Remuneration Committee has a number of responsibilities including reviewing, evaluating and making recommendations to the Board with regard to the election and re-election of Members, Directors and Sydney Symphony Councillors, and executive remuneration.

The Nomination and Remuneration Committee also advises the Board on the process for the Board performance review, reviews the performance of the Chief Conductor, Managing Director and senior management and establishes policies for recruitment, retention and succession planning for senior management.

Principle 3: Promote Ethical and Responsible Decision Making

The Group's Governance Framework includes a Code of Conduct, Delegations of Authority, Board and Committee charters, Risk Management policies as well as clearly defined roles and responsibilities for key appointments.

Principle 4: Promote Diversity

The Group aims to be an organisation that fosters an organisational culture that embraces diversity. "Diversity" includes, but is not limited to, gender, age, ethnicity, disability and cultural background. During the course of the current year, further work on the diversity action plan will be finalised with measurable objectives designed to enhance our commitment to promote diversity in the workplace.

Principle 5: Safeguard Integrity in Financial Reporting (both internal and external)

The Finance, Audit and Risk Committee meets at least quarterly and its functions include:

- Reviewing and reporting to the Board on quarterly and annual financial statements
- Making recommendations regarding the appointment, evaluation and removal of the Group's external auditor and reviewing and reporting to the Board on the adequacy, scope and quality of the annual statutory audit and on the integrity and reliability of the financial statements
- Reviewing the effectiveness of the Group's internal control environment, including the effectiveness of internal control procedures
- Monitoring and reviewing the reliability of financial reporting
- Monitoring and reviewing the compliance of the Group with applicable laws and regulations

- Monitoring the scope of any key control reviews and approving the engagement of qualified consultants to complete specified reviews
- Monitoring and reviewing the financial management and position of the Group.

The Finance, Audit and Risk Committee meets with the external auditors at least once per year.

The Committee requires the Managing Director and Director of Finance to attest in writing that the Group's financial reports present a true and fair view of the Group's financial condition and operational results and are in accordance with relevant accounting standards.

This statement is requested at the time of the consideration and approval of the Statutory Accounts. It is reviewed by the Finance, Audit and Risk Committee prior to its consideration by the Board.

The Committee consists of up to four Directors and, by invitation, the Chairman of the Board, the Managing Director and the Director of Finance and includes members with appropriate audit, finance and risk management skills.

Principle 6: Recognise the Legitimate Interests of Stakeholders

The Group has numerous stakeholders and a calendar is maintained in order to monitor requirements and reporting obligations. The calendar is approved by the Board, which oversees compliance with stakeholder reporting and associated obligations.

The Group has a set of Workplace Health & Safety (WHS) manuals, which provide legislative and procedural guidance to ensure that the Group's responsibilities continue to be met. There is a comprehensive, regular training programme, including first aid and WHS committee training. Group policies and procedures are reviewed in consultation with staff representatives. Directors are briefed on WHS policies and procedures and review the company WHS plan annually. Appropriate site visits are also made by the directors.

Principle 7: Recognise and Manage Risk

Quarterly updates of the Group's risk register are undertaken by management and presented to the Finance, Audit and Risk Committee. Management undertakes annual workshops to identify further risks and develop a Risk Management Plan. The output of the workshops is reviewed by this Committee and the Board.

Principle 8: Remunerate Fairly and Responsibly

The Nomination and Remuneration Committee meets at least annually to review the Group's remuneration strategies and policies. The Committee sets the parameters within which senior management negotiates musician and administration Staff Agreements. The Committee approves all senior management remuneration arrangements.

Signed on behalf of the Board of Directors



John Conde AO
Chairman

Sydney, dated 31st March 2014

Auditor's Independence Declaration to the Directors of Sydney Symphony Limited

In relation to our audit of the financial report of Sydney Symphony Limited for the financial year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Lisa Nijssen-Smith
Partner
31 March 2014

Sydney Symphony Limited

A.B.N. 50 121 561 528

Income Statement for the year ended 31 December 2013

		2013	2012
	Notes	Consolidated	Consolidated
		\$	\$
Revenue			
Funding revenue	4	13,786,788	13,538,957
Ticket sales	5	17,249,486	16,452,892
Sponsorship and general donations	6	3,607,063	4,015,763
Maestro's Circle donations		190,000	230,000
Instrument Reserve donations		5,550	63,905
Other income	7	2,208,994	3,002,045
Total revenue		37,047,881	37,303,562
Expenses			
Employee expenses	8	20,995,981	20,964,146
Artist fees and expenses		5,139,214	5,420,872
Marketing expenses		3,322,862	3,093,005
Production expenses		4,667,065	4,638,541
Depreciation and amortisation	8	419,295	378,639
Other expenses		2,406,432	2,382,746
Total expenses		36,950,849	36,877,949
Net profit for the year		97,032	425,613
Income tax expense	9	-	-
Profit after income tax		97,032	425,613

The Income Statement should be read in conjunction with the notes to the financial statements.

Sydney Symphony Limited
 A.B.N. 50 121 561 528
Statement of Comprehensive Income
for the year ended 31 December 2013

		2013	2012
	Notes	Consolidated	Consolidated
		\$	\$
Profit after income tax		97,032	425,613
Other comprehensive income			
Cash flow hedges:			
Gain taken to equity	24	30,680	40,006
Total comprehensive income		<u>127,712</u>	<u>465,619</u>

The Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements.

Sydney Symphony Limited
A.B.N. 50 121 561 528

Statement of Financial Position as at 31 December 2013

		2013	2012
	Notes	Consolidated	Consolidated
		\$	\$
Current Assets			
Cash and cash equivalents		5,841,206	3,962,217
Term deposits		7,085,864	8,170,865
Other financial assets	10	143,883	81,145
Trade and other receivables	11	1,285,509	1,376,880
Derivative financial Instruments	24	10,832	-
Prepayments		274,745	434,675
Total Current Assets		14,642,039	14,025,782
Non-Current Assets			
Property, plant and equipment	12	2,417,026	2,591,170
Intangible assets	13	266,047	267,723
Other financial assets	10	448,373	494,857
Term deposits		8,335,000	8,250,000
Total Non-Current Assets		11,466,446	11,603,750
Total Assets		26,108,485	25,629,532
Current Liabilities			
Trade and other payables	14	2,013,413	2,265,607
Prepaid revenue	15	8,415,282	7,825,144
Provisions	16	4,261,389	4,065,610
Deferred Incentive		85,714	85,714
Derivative financial Instruments	24	-	19,848
Total Current Liabilities		14,775,798	14,261,923
Non-Current Liabilities			
Provisions	16	680,406	757,326
Deferred Incentive		250,001	335,715
Total Non-Current Liabilities		930,407	1,093,041
Total Liabilities		15,706,205	15,354,964
Net Assets		10,402,280	10,274,568
Equity			
Symphony Reserve	17	1,943,743	1,943,743
International Touring Reserve	18	748,148	661,180
Instrument Reserve	19	124,012	111,897
Maestro's Circle Reserve	20	-	-
Cash Flow Hedge Reserve	24	10,832	(19,848)
Retained Earnings		7,575,545	7,577,596
Total Equity		10,402,280	10,274,568

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Sydney Symphony Limited

A.B.N. 50 121 561 528

Statement of Changes in Equity as at 31 December 2013

Consolidated

	Notes	Retained Earnings \$	Symphony Reserve (Note 17) \$	International Touring Reserve (Note 18) \$	Cash Flow Hedge Reserve (Note 24) \$	Instrument Reserve (Note 19) \$	Maestro's Circle Reserve (Note 20) \$	Total Equity \$
As at 1 January 2013		7,577,596	1,943,743	661,180	(19,848)	111,897	-	10,274,568
Net profit for the year		97,032						97,032
Other comprehensive income					30,680			30,680
Transfer (from)/to International Touring Reserve	18	(86,968)		86,968				-
Transfer (from)/to Instrument Reserve	19	(12,115)				12,115		-
Transfer (from)/to Instrument Reserve	19	-						-
Transfer (from)/to Maestro's Circle Reserve	20	(190,000)					190,000	-
Transfer (from)/to Maestro's Circle Reserve	20	190,000					(190,000)	-
As at 31 December 2013		7,575,545	1,943,743	748,148	10,832	124,012	-	10,402,280

Consolidated

	Notes	Retained Earnings \$	Symphony Reserves (Note 17) \$	International Touring Reserve (Note 18) \$	Cash Flow Hedge Reserve (Note 24) \$	Instrument Reserve (Note 19) \$	Maestro's Circle Reserve (Note 20) \$	Total Equity \$
As at 1 January 2012		5,842,847	1,943,743	958,911	(59,854)	666,270	457,032	9,808,949
Net profit for the year		425,613						425,613
Other comprehensive income					40,006			40,006
Transfer (from)/to International Touring Reserve	18	297,731		(297,731)				-
Transfer (from)/to Instrument Reserve	19	(95,940)				95,940		-
Transfer (from)/to Instrument Reserve	19	650,313				(650,313)		-
Transfer (from)/to Maestro's Circle Reserve	20	457,032					(457,032)	-
As at 31 December 2012		7,577,596	1,943,743	661,180	(19,848)	111,897	-	10,274,568

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Sydney Symphony Limited
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Statement of Cash Flows for the year ended 31 December 2013

	Notes	2013 Consolidated \$	2012 Consolidated \$
Cash flows from operating activities			
Cash receipts from box office and sponsors		21,047,357	20,928,611
Cash receipts general donations		1,632,743	1,672,743
Cash payments to suppliers and employees		(36,504,959)	(37,160,845)
Grants received from government funding bodies		13,786,788	13,538,957
Interest received		1,176,788	1,351,232
Net cash flows from operating activities		1,138,717	330,698
Cash flows from financing activities			
Employee instrument loans granted		(116,183)	(217,550)
Proceeds from repayments on employee instrument loans		99,929	96,153
Net Cash flows from financing activities		(16,254)	(121,397)
Cash flows from/ (used in) investing activities			
Payments for property, plant and equipment		(97,402)	(756,977)
Payments for intangible assets		(146,073)	(314,529)
Redemption/Investment in Term deposits		1,000,001	772,762
Net cash flows from investing activities		756,526	(298,744)
Net increase /(decrease) in cash held		1,878,989	(89,443)
Cash and cash equivalents at beginning of financial year		3,962,217	4,051,660
Cash and cash equivalents at end of year		5,841,206	3,962,217

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

1. CORPORATE INFORMATION

The financial report of the Group for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Directors on 31st March 2014.

Sydney Symphony Limited (the parent) is a public company limited by guarantee, incorporated and domiciled in Australia. The address of the registered office is 35 Harrington Street Sydney, NSW 2000. The nature of the operations and principal activity of the Group was the performance of symphonic music.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards – Reduced Disclosure Requirements, and other authoritative pronouncements of the Australian Accounting Standards Board. The consolidated financial report has also been prepared on a historical cost basis except for derivative financial instruments which have been measured at fair value. The consolidated financial report is prepared in Australian dollars.

Statement of compliance

The Group is a not-for-profit private sector entity. Therefore, the Group has elected to present Tier 2 General Purpose Financial Statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB), and the Corporations Act 2001.

Financial risk management objectives and policies

The Group's principal financial instruments consist of cash and term deposits, receivables and payables. The Group manages its exposure to key financial risks, including interest rate and currency risk, in accordance with the Group's financial risk management policy. The disclosures are included under note 24 to the financial statements.

The Group enters into derivative transactions, principally forward currency contracts, to manage the currency risk arising from the Group's operations. The Board reviews and agrees policies for managing foreign currency risk which arises from transactional currency exposures due to sales or purchases by the controlled entity in currencies other than the functional currency. It is the Group's policy not to enter into forward foreign currency contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to exactly match the terms of the hedged item to maximise hedge effectiveness. The Group enters derivative transactions only with recognized credit worthy third parties with an equivalent S&P credit rating of AA or higher.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of consolidation

The consolidated financial statements consist of the financial statements of Sydney Symphony Limited and its subsidiary as at 31 December 2013.

The financial statements of its subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

b) Going concern

The ability of the Group to maintain its operations is dependent inter alia on the continuing support of various Governments by way of grants. The Tripartite Agreement was renewed for the period 2013 – 2015 with Australia Council for the Arts and Arts NSW. Funding for this period has been confirmed, subject to the company continuing to meet the requirements of the Tripartite Agreement.

At 31 December 2013, the Group was in a net current liability position of \$133,759. This has arisen due to the classification of prepaid revenue of \$8,415,282 as current liabilities, for which no cash outflow is required for settlement. Furthermore, the Group has sufficient non-current term deposits of \$8,335,000 at 31 December 2013 to finance its liabilities as and when they fall due.

Therefore, the financial statements have been prepared under the going concern principle.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

i. Contribution income

Contribution income represents the fair value of assets received in excess of the cost of the assets where there is a non-reciprocal transfer and is recognised as income once the asset is controlled by the Company.

ii. Funding revenue

Funding revenue is received from the Australia Council for the Arts (as represented by The Major Performing Arts Board) and Arts NSW. Funding is received based on payment schedules contained in a funding agreement between the funding bodies and the Group's controlled entity and is recognised in the calendar year for which it is intended under the terms of the agreement due to the conditional nature of the funding. Any funding not spent on the planned activities agreed between the parties at the start of each calendar year is required to be repaid.

iii. Ticket sales

Revenue from ticket sales is recognised in the Income Statement at the time of concert performance. Revenue from ticket sales in respect of productions not yet performed is included in the Statement of Financial Position as prepaid ticket sales under the Current Liabilities heading "Prepaid revenue".

iv. Sponsorship and donations revenue

Sponsorship – Sponsorship cash and in-kind commitments are brought to account as income in the year in which sponsorship benefits are bestowed.

Donations – All donations are brought to account as received.

v. Orchestral hire revenue

Revenue from orchestral hire is recognised as these services are performed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**vi. Interest income**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Foreign currency translation

Both the functional and presentation currencies of the Group are Australian dollars (A\$). Transactions in foreign currencies are recorded initially in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

e) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

The Group's operating subsidiary Sydney Symphony Orchestra Holdings Pty Limited is exempt from income tax, by virtue of being a cultural organisation established for the encouragement of music and a charitable institution. Accordingly, no income tax or deferred income tax is provided.

Revenues, 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 Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part 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 gross in the Statement of Cash Flows. 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.

f) Acquisitions of assets

Acquired assets are accounted for at cost. Cost is measured as the fair value of assets given or liabilities incurred or assumed at the date of exchange plus cost directly attributable to the acquisition.

g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**h) Trade and other receivables**

Trade receivables, which generally have 60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Collectability of trade receivables is reviewed continually. Debts that are known to be uncollectible are written off when identified. An allowance for provision for impairment of trade receivables is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment loss is recognised in the income statement within Other Expenses.

i) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Items of plant and equipment, leasehold improvements, computer equipment and musical instruments are depreciated using the straight-line method over their estimated useful lives. Where musical instruments are deemed to appreciate in value, no depreciation is applied. Each class of asset in the current period was depreciated over the following useful lives as set out in the following table:

Asset class	Useful Life
Computer equipment	3 years
Furniture and fittings	Between 6 and 8 years
Plant and equipment	8 years
Musical instruments	Between 5 and 15 years

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement in the period the asset is derecognised.

j) Intangible assets

Software licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Licences are tested for impairment where an indicator of impairment exists. Amortisation is calculated using the straight line method to allocate the cost over the estimated useful life of 3 years.

k) Impairment

The carrying values of plant and equipment are reviewed for indicators of impairment at each reporting date, with a recoverable amount being estimated when events or changes in circumstances indicate the carrying value may not be recoverable. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. Impairment losses are recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**l) Leased plant and equipment**

Leases of plant and equipment are classified as operating leases since the lessors retain substantially all of the risks and benefits of ownership. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

m) Trade and other payables

Trade payables and other payables are carried at amortised cost. Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. Trade payable terms are normally within 30 days.

n) Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required, to settle the obligation, the timing or amount of which is uncertain. Provisions are determined by discounting the expected future cash flows required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Make good provision

The Group provides for costs of restoration or removal in relation to fixed assets when there is legal or constructive obligation. These costs include obligations relating to the dismantling, removal, remediation, restoration and other expenditure associated with fixed assets or site fit-outs.

o) Employee benefits*Wages, salaries and annual leave*

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided up to the reporting date. These are calculated at undiscounted amounts based on compensation rates that the consolidated entity expects to pay, including related on-costs.

Long service benefits

The provision for long service leave benefits represent the present value of the estimated future cash outflows to be made, resulting from employees' services provided up to the reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to Commonwealth government bonds at balance date which most closely match the terms of maturity of the related liabilities.

Superannuation

The Group contributes to employees' superannuation funds. Contributions are recognised as an expense as they are made. The Group has no ongoing liability for superannuation benefits ultimately payable to employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee loans

Some employees are lent monies which are used in turn to purchase musical instruments. These loans are secured by the instruments themselves and are interest bearing. Amounts outstanding are recouped over time through contributions withheld from musicians' salaries. These are recorded within other financial assets.

p) Changes in accounting policies

All accounting policies have been applied on a consistent basis with those of the previous period.

q) Derivative Financial Instruments and Hedging

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign currency rates on forecasted transactions. The effective portion of the gain or loss on the financial instrument is recognised directly in equity and transferred out of equity when the forecast transaction occurs.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The following critical accounting policies have been identified for which significant judgements, estimates and assumptions are made.

Impairment of non-financial assets

The Group assesses impairment of its non-financial assets at each reporting date by evaluating conditions specific to the Group and to the specific asset. If an impairment trigger exists, the recoverable amount of the asset is determined. Management do not consider there to be any external or internal triggers of impairment during the financial year ended 31 December 2013.

Make good provision

A provision has been made for the present value of anticipated costs associated with the future restoration of the leased office premises. The estimate of anticipated costs is periodically reviewed and updated. The related carrying amounts are disclosed in note 16.

Estimate of useful lives

The estimation of assets useful lives is based on historical experience. The condition of assets is assessed periodically and considered in relation to the remaining useful life of the asset. Adjustments are made to useful lives as appropriate.

4. FUNDING REVENUE

	2013	2012
	Consolidated	Consolidated
	\$	\$
Australia Council for the Arts	10,574,135	10,326,304
Arts NSW	3,212,653	3,212,653
Total funding revenue	13,786,788	13,538,957

A significant portion of the Group's annual revenue consists of funding from Federal and State governments, through the Australia Council for the Arts and Arts NSW. As a result, the Group has an economic dependency on these entities. The Funding Agreement with the Australia Council for the Arts and Arts NSW was renewed for the period 2013 to 2015 whereby amounts will be provided to Sydney Symphony Limited. As required, amounts received by the Group during the financial year were transferred to the subsidiary, Sydney Symphony Orchestra Holdings Pty Limited, to fund its operations and activities in accordance with the Funding Agreement with the Australia Council for the Arts and Arts NSW.

5. TICKET SALES

	2013	2012
	Consolidated	Consolidated
	\$	\$
Subscriptions	8,138,618	7,926,414
Single night	9,110,868	8,526,478
Total ticket sales	17,249,486	16,452,892

6. SPONSORSHIP AND GENERAL DONATIONS

	2013	2012
	Consolidated	Consolidated
	\$	\$
Sponsorship	2,190,164	2,636,925
General donations	1,416,899	1,378,838
Total sponsorship and general donations	3,607,063	4,015,763

7. OTHER INCOME

	2013	2012
	Consolidated	Consolidated
	\$	\$
Orchestral hire income	545,415	1,066,720
Interest	1,176,788	1,351,232
Other income	486,791	584,093
Total other income	2,208,994	3,002,045

8. EXPENSES

	2013	2012
	Consolidated	Consolidated
	\$	\$
Depreciation of fixed assets	271,546	274,165
Amortisation of intangible assets	147,749	104,474
Total depreciation and amortisation	419,295	378,639
Operating lease rental expense	439,039	440,242
Employee expenses:		
Salaries and wages	17,067,024	16,691,372
Superannuation	2,397,123	2,354,845
Other employee expenses	1,531,834	1,917,929
Total employee expenses	20,995,981	20,964,146

9. INCOME TAX

	2013	2012
	Consolidated	Consolidated
	\$	\$
Accounting profit	97,032	425,613
At Group's statutory tax rate (30%)	29,110	127,684
Less non taxable items	(29,110)	(127,684)
Income tax expense	-	-

The holding company's sole subsidiary, Sydney Symphony Orchestra Holdings Pty Limited, is exempt from income tax, capital gains tax and payroll tax by virtue of being a cultural organisation established for the encouragement of music and a charitable institution.

10. OTHER FINANCIAL ASSETS

	2013	2012
	Consolidated	Consolidated
	\$	\$
Current asset		
Employee instrument loans	143,883	81,145
Non-current asset		
Employee instrument loans	448,373	494,857
Total other financial assets	592,296	576,002

11. TRADE AND OTHER RECEIVABLES

	2013	2012
	Consolidated \$	Consolidated \$
Current		
Trade debtors	798,030	729,502
Other receivables	37,656	114,714
Accrued income	449,823	532,664
Total trade and other receivables	1,285,509	1,376,880

12. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Fixtures and fittings	Musical instruments acquired through the Instrument Reserve	Musical instruments acquired	Computer equipment	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2013						
At 1 January 2013, net of accumulated depreciation	160,246	598,402	1,438,087	249,832	144,603	2,591,170
Disposals	-	-	-	-	-	-
Additions	4,331	336	-	75,088	17,647	97,402
Depreciation charge for the year	(33,451)	(118,564)	-	(42,101)	(77,430)	(271,546)
As at 31 December 2013, net of accumulated depreciation and impairment	131,126	480,174	1,438,087	282,819	84,820	2,417,026
At 31 December 2013						
Cost or fair value - Note 1	405,330	851,569	1,438,087	1,046,988	253,178	3,995,152
Accumulated depreciation - Note 1	(274,204)	(371,395)	-	(764,169)	(168,358)	(1,578,126)
Net carrying amount	131,126	480,174	1,438,087	282,819	84,820	2,417,026
	\$	\$	\$	\$	\$	\$
At 31 December 2012						
Cost or fair value	400,999	851,233	1,438,087	971,900	1,049,918	4,712,137
Accumulated depreciation	(240,753)	(252,831)	-	(722,068)	(905,315)	(2,120,967)
Net carrying amount	160,246	598,402	1,438,087	249,832	144,603	2,591,170

Note 1 - During the year, fully depreciated computer equipment totalling \$814,387 (2012 \$ nil) was written off against the related accumulated depreciation for this asset class.

13. INTANGIBLE ASSETS - SOFTWARE

	Consolidated	Consolidated
	2013	2012
	\$	\$
At 1 January, net of accumulated amortisation	267,723	57,669
Additions	146,073	314,529
Amortisation charge for the year	(147,749)	(104,475)
As at 31 December, net of accumulated amortisation and impairment	<u>266,047</u>	<u>267,723</u>
At 31 December		
Cost or fair value – Note 1	460,602	314,529
Accumulated Amortisation – Note 1	<u>(194,555)</u>	<u>(46,806)</u>
Cost or fair value carried forward	<u>266,047</u>	<u>267,723</u>

Note 1 – In 2012, fully amortised intangible assets totalling \$387,835 were written off against the related accumulated amortisation for this asset class.

14. TRADE AND OTHER PAYABLES

	2013	2012
	Consolidated	Consolidated
	\$	\$
Accruals	966,284	1,265,331
Trade creditors	995,067	958,266
Other payables	52,062	42,010
Total trade and other payables	<u>2,013,413</u>	<u>2,265,607</u>

The fair value of financial liabilities is equivalent to the carrying amount at balance date as disclosed in the balance sheet and related notes. This is because either the carrying amounts approximate to their fair value or because of their short term to maturity.

15. PREPAID REVENUE

	2013	2012
	Consolidated	Consolidated
	\$	\$
Prepaid ticket sales	8,099,226	7,809,412
Prepaid other	316,056	15,732
Total prepaid revenue	<u>8,415,282</u>	<u>7,825,144</u>

16. PROVISIONS

	2013	2012
	Consolidated	Consolidated
	\$	\$
Current provision for employee benefits	4,261,389	4,065,610
Non-current provision for employee benefits	530,406	607,326
Make good provision	150,000	150,000
Total non-current provisions	680,406	757,326
Total provisions	4,941,795	4,822,936

17. SYMPHONY RESERVE

	2013	2012
	\$	\$
Accumulated reserves at 1 January	1,943,743	1,892,042
Transfer from retained earnings in relation to: Current year bequests	-	51,701
Accumulated reserves at 31 December	1,943,743	1,943,743

The Symphony Reserve was established under protocols agreed by the Board to raise and accumulate capital to support the aims of the Group and its long-term financial security.

18. INTERNATIONAL TOURING RESERVE

	2013	2012
	\$	\$
Accumulated reserves at 1 January	661,180	958,911
Transfer (to)/from retained earnings in relation to: Net surplus/(deficit) from tour activities	86,968	(297,731)
Accumulated reserves at 31 December	748,148	661,180

19. INSTRUMENT RESERVE

	2013	2012
	\$	\$
Accumulated reserves at 1 January	111,897	666,270
Transfer from retained earnings for interest earned	6,565	32,035
Transfer from retained earnings in relation to: Instrument Reserve donation	5,550	63,905
Transfer to retained earnings for instruments acquired	-	(650,313)
Accumulated reserves at 31 December	124,012	111,897

The assets purchased using the Instrument Reserve are included in the Property Plant and Equipment - Musical Instruments. There were no purchases in 2013 (2012 \$650,313).

20. MAESTRO'S CIRCLE RESERVE

	2013 \$	2012 \$
Accumulated reserves at 1 January	-	457,032
Transfer from retained earnings in relation to: Maestro's Circle donations	190,000	230,000
Transfer to retained earnings in relation to: Maestro's Circle expenses	(190,000)	(687,032)
	<hr/>	<hr/>
Accumulated reserves at 31 December	-	-

The Maestro's Circle Reserve was created in 2009 to assist with the costs associated with special activities planned by the incoming Principal Conductor and Artistic Advisor, Mr Vladimir Ashkenazy. The Maestro's Circle expenses reflect the net expenditure associated with gala concert activities, other recordings and new music compositions during the course of Mr Ashkenazy's tenure with the orchestra in the period 2009 to 2013.

21. DIRECTORS AND EXECUTIVE DISCLOSURES

a) Details of key management personnel

The names of each person holding the position of Director or Executive Director of the Company during the financial period are listed on page 2 in the Directors' Report.

Unless otherwise stated in the Directors' Report, the Directors have been in office for the financial period.

b) Compensation of key management personnel

	2013 Consolidated \$	2012 Consolidated \$
Total Compensation	<hr/> 565,279 <hr/>	<hr/> 596,016 <hr/>

Payments were made to directors for their services as employees of the company and not for their services as Directors of the Group for which no fee is paid. Non-executive Directors are not paid any fees for their services as Directors of the Group.

22. RELATED PARTIES

a) Directors - Transactions with Directors

Mr. Ewen Crouch AM, a Director of the Group, was a partner with Allens and a Director of Westpac Banking Corporation during the year. During the year, Allens provided pro-bono professional services to the Group and Westpac Banking Corporation provided banking services to the Group.

Mr Rory Jeffes, a Director of the Group was a Director of Symphony Services Australia Limited during the year. During the year this company provided orchestral services to the Group totalling \$3,474,690 (2012: \$3,474,690)

Transactions between the Group and entities in which Directors have declared an interest, are, unless otherwise stated, transacted under normal terms and conditions. There were no contracts involving Directors' interests subsisting at period end excepting sponsorship agreements under normal terms and conditions of business. Sponsorship from director-related entities is on terms and conditions no more favourable than those offered to other sponsors. During the year, Directors also donated funds to the Group through the various donation initiatives undertaken by the Group.

23. COMMITMENTS AND CONTINGENCIES

a) Operating lease (non cancellable)

	2013	2012
	Consolidated	Consolidated
	\$	\$
Not later than one year	439,039	439,039
Later than one year and not later than five years	1,282,234	1,721,273
Later than five years	-	-
	<u>1,721,273</u>	<u>2,160,312</u>

The Group has operating leases for office accommodation.

b) Artist fees contracted for but not provided for and not payable

	2013	2012
	Consolidated	Consolidated
	\$	\$
Not later than one year	1,358,665	1,077,758
Later than one year and not later than five years	4,399,761	-
	<u>5,758,426</u>	<u>1,077,758</u>

The Group has entered into contracts for performances scheduled to take place during 2014. These amounts include the expenditure required to satisfy the contracts with the artists.

c) Guarantees

The Group has issued bank guarantees in support of:

- i. the operating lease over premises at 35 Harrington Street, The Rocks, NSW for the amount of \$225,000 expiring on 31 December 2017 (2012: \$225,000).
- ii. credit collateral on advertising contracts for \$200,000 (2012: \$200,000).

No liability is expected to arise from these guarantees.

24. FINANCIAL INSTRUMENTS

a) Fair value

The Group has used the Level 2 method in estimating the fair value of its financial instruments.

The fair value of financial instruments is derived using valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation. The fair value of financial instruments and the methods used to estimate the fair value are summarised in point (e) below.

24. FINANCIAL INSTRUMENTS (continued)

b) Credit risk exposure

The Group's maximum exposure to credit risk at the balance sheet date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet and related notes.

c) Liquidity statement

Short term deposits consist of a number of term deposits held with different maturity dates less than one year. These funds are available at call should they be required, subject to minor early withdrawal penalties.

d) Sensitivity analysis

A Sensitivity Analysis of the effect of interest rate and foreign currency movements on assets and liabilities was not undertaken as the prospective impacts were not considered material at balance date.

e) Derivative financial instruments

Valuation Technique Market Observable Inputs (Level 2)

	2013 Consolidated \$	2012 Consolidated \$
Current Assets/Liabilities		
Forward currency contracts – cash flow hedges	10,832	(19,848)
	10,832	(19,848)

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign currency rates.

(i) Forward currency contracts – cash flow hedges

The Group purchases the services of artists under contracts denominated in foreign currencies. In order to protect against exchange rate movements and to provide certainty against future cash flows, the Group has entered into forward currency contracts. The cash flows are expected to occur between one and twelve months from 1 January 2013 and total A\$10,832 (2012 A\$19,848) with average exchange rates of USD 0.9212 and EUR 0.6731 (2012 CHF 0.9051).

The forward currency contracts are considered to be highly effective hedges as they are matched against forecast purchases and any gain or loss on the contracts attributable to the hedged risk is taken directly to equity. When the service is delivered, the amount recognised in equity is adjusted to artist's fees and expenses in the Income Statement.

(ii) Movement in forward currency contract cash flow hedge reserve

	2013 Consolidated \$	2012 Consolidated \$
Opening balance	(19,848)	(59,854)
Taken to other comprehensive income	30,680	40,006
Closing balance	10,832	(19,848)

The fair value of the derivative financial instruments is calculated using quoted prices in active markets. As at the reporting date, the carrying amount equals the fair value of the instruments.

25. INDEMNIFICATION AND INSURANCE OF OFFICERS

Insurance and indemnity arrangements established in previous years concerning officers of the Group were renewed and continued during 2013. Sydney Symphony Orchestra Holdings Pty Limited paid the premium on a contract insuring each of the Directors of the Group, named earlier in this report, and each of the full-time executive officers of the consolidated entity, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

26. INFORMATION RELATING TO SYDNEY SYMPHONY LIMITED ("the Parent Entity")

	2013	2012
	\$	\$
Current assets	-	-
Non-current assets	8,578,559	8,578,559
Total assets	8,578,559	8,578,559
Current liabilities		
Total liabilities	330	330
Net assets	8,578,229	8,578,229
Equity		
Retained earnings	8,578,229	8,578,229
Total equity	8,578,229	8,578,229
Profit or loss of Parent Entity	-	-
Total comprehensive income of parent company	-	-

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Sydney Symphony Limited, we state that:

(a) the consolidated financial statements and notes of Sydney Symphony Limited and its controlled entity for the financial year ended 31 December 2013, set out on pages 11 to 30, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of their financial position as at 31 December 2013 and performance for the year ended on that date;

(ii) complying with Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) 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.

On behalf of the Board of Directors



John Conde AO
Chairman

Sydney, dated 31st March 2014



Ewen Crouch AM
Director

Sydney, dated 31st March 2014

Independent auditor's report to the members of Sydney Symphony Limited

Report on the financial report

We have audited the accompanying financial report of Sydney Symphony Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 controls 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 controls. 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 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.


Opinion

In our opinion the financial report of Sydney Symphony Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of the consolidated entity at 31 December 2013 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.



Ernst & Young



Lisa Nijssen-Smith
Partner
Sydney
31 March 2014