Sydney Symphony Limited

ABN 50 121 561 528

ANNUAL FINANCIAL REPORT

31 December 2019

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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 2019.

Directors

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

Terrey Arcus AM (Chairman)
Geoff Ainsworth AM (appointed 1 January 2019)
Andrew Baxter
Kees Boersma
Ewen Crouch AM
Emma Dunch
Catherine Hewgill
David Livingstone (resigned 14 May 2019)
The Hon Justice A J Meagher
Karen Moses
Dr John Vallance
Geoff Wilson (appointed 26 July 2019)

Qualification of Directors

Director	Experience and Qualifications
Terrey Arcus AM	BSc, BE (Hons) Syd; MBA (Dist) Harv. Founder & Consultant to Port Jackson Partners Limited
Emma Dunch (CEO)	B A (Communications) B Music Performance (Opera) Managing Director, Sydney Symphony Orchestra Director, Symphony Services Australia Limited
Geoff Ainsworth AM	BA (Hons) UNSW, MA Macq, Dip. Fin. Mgt. UNE Director, Carriageworks Director, National Gallery of Australia Foundation Director, Serioso Pty Limited Acquisitions and Loans Committee, AGNSW Capital Campaign Committee AGNSW
Andrew Baxter	B Bus (Mktg), FAMI CPM, FAICD Chair, Tjapukai Chair, Australian Pork Board Member, National Basketball League Senior Advisor, KPMG Senior Advisor, BGH Capital Adjunct Professor, University of Sydney
Kees Boersma	Dip.of Arts (Music) Victorian College of the Arts Principal Double Bass, Sydney Symphony Orchestra Lecturer in Double Bass, Sydney Conservatorium of Music
Ewen Crouch AM	BEc (Hons) LLB Syd, FAICD Chair, Corporate Travel Management Limited Director, BlueScope Steel Limited Director, Jawun Consultant, Allens

Catherine Hewgill	B Mus Univ of Southern California Principal Cello Sydney Symphony Orchestra
David Livingstone	BEc (Hons) Macq; MA Cantab Chief Executive Officer, Europe, Middle East and Africa, Citigroup, Inc.
The Hon Justice A J Meagher	BCom LLB, NSW; LLM, London School of Economics Judge of the Supreme Court of NSW, Court of Appeal Board Member, Kincoppal-Rose Bay School of the Sacred Heart
Karen Moses	BEc, Dip Ed Syd, FAICD Director, Snowy Hydro Director, Orica Limited Director, Boral Limited Director, Charter Hall Group Fellow, Sydney University Senate
Dr. John Vallance	BA (Hons) Syd; MA, PhD Cambridge, FAHA Honorary Professor at the University of New South Wales NSW State Librarian & Chief Executive, State Library of NSW Deputy Chair, Gonski Institute for Education, University of New South Wales
Geoff Wilson	B.Com UNSW, GAICD, Fellow of ICAA & CPA Australia; US CPA Director, HSBC Bank Australia Limited Director, Nanosonics Limited Director, TOLL Holdings Limited Director, Future Generation Global Limited Director, ipSCAPE

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.

In 2019 the Group presented 202 concerts to 278,500 adults and school children in New South Wales and reached a further 65,500 patrons in 80 countries through digital livestreaming.

Strategic Plan and Key Performance Indicators (KPIs)
In 2019 the Group launched a new strategic plan (2019-2023) outlining key strategic priorities in (1) Advancing our Artform; (2) Increasing Access to the Arts; (3) Strengthening Our Sector; and (4) Managing for Sustainability.

The Group's vision is to create a future where music inspires, delights, challenges and unites ever larger and more diverse communities. Through high quality, accessible and affordable performances and music education, the Group seeks to both celebrate and increase the impact and value of orchestral music for Australian audiences.

The strategic plan was reviewed and approved by the Group's Tripartite funders, being the Federal Government through the Australia Council for the Arts and the NSW Government through Create NSW, and the Group's continued achievement of the agreed annual KPIs is a requirement of continued funding. In 2019, the Group achieved its KPIs to the full satisfaction of its Tripartite funders, including in these key strategic areas:

Artistic Leadership
Simone Young AM was named Chief Conductor, effective 2022. She conducted the Orchestra's final performances in the Sydney Opera House Concert Hall before closure, Mahler's *Das klagende Lied*, livestreamed around the world as part of her multi-year artistic cycle, "Simone Young's Visions of Vienna" from 2019-2021. 5,000 patrons attended in-hall and 35,000 patrons watched online. Earlier in the year, the Orchestra farewelled David Robertson as Chief Conductor & Artistic Director after a six-year tenure. He led monumental performances of Britten's *Peter Grimes*, Messiaen's *Turangalila-symphonie* and other works during his final season. Principal

Guest Conductor Donald Runnicles and Conductor Laureate Vladimir Ashkenazy both continued their multi-year artistic cycles and several significant international conductors made their debuts.

Supporting Australian Composers
In 2019, the Group issued commissions and performed the works of 20 Australian composers, 30% of them women, including Australian premieres by Ella Macens, Georgia Scott, Peggy Polias and Josephine Macken. David Robertson conducted the Australian premieres of two Sydney Symphony international co-commissions: Steve Reich's *Music for Ensemble and Orchestra* and Christopher Rouse's Bassoon Concerto, and Robertson conducted the Australian premiere of Wynton Marsalis' *The Jungle – Symphony No. 4*, with the composer in attendance at the Sydney Opera House Concert Hall. The Group also partnered with the Sydney Conservatorium of Music to support its *Composing Women* training initiative and laid substantial groundwork for *50 Fanfares*, a large-scale national Australian commissioning project launching in 2020.

Training Australian Musicians
The Group continued to support emerging talent through its internationally recognised Sydney Symphony Fellowship programme, which employs talented young orchestral musicians, selected through competitive national auditions, and prepares them for lives as professional working musicians, including participation in mainstage performances, chamber music presentations, education concerts, and community engagement programmes. In 2019, there were 12 Sydney Symphony Orchestra Fellows.

Serving the Citizens of New South Wales
In 2019, the Group marked 81 continuous years of annual touring to regional NSW with performances in Gosford, Newcastle, Nowra, Orange, Penrith, Port Macquarie, Springwood, Taree, Wollongong and Wyong. A state-wide initiative to livestream Sydney Symphony performances free of charge into State Library of NSW branches continued in partnership with the Albury, Bathurst, Broken Hill, Canterbury-Bankstown, Central Coast, Cessnock, Cooma, Cumberland, Kiama, Lake Macquarie, Lane Cove, Maitland, Mudgee, Parramatta, Port Macquarie, Singleton, Tamworth, Temora, Wagga Wagga, Wollongong and Woollahra Public Libraries. With the Group's encouragement, "Symphony Among the Shelves" live performances were added by some branches to create performance opportunities for local community musical ensembles. The Group also finalised and launched a new, three-year programming partnership with the Sydney Coliseum Theatre offering new and greater access to live symphonic music for audiences across Western Sydney.

Education
The Group delivered a full suite of education programmes, including a Young Ambassadors initiative, *Playerlink!* youth musician camps in regional and outer metropolitan locations, a national livestream reaching 650,000 Australian students in school classrooms in every state for *Music: Count Us In! Day* and continued participation in *Make Music Day International* with a global livestream of Joseph Tawadros in concert with the Orchestra. The Group increased the volume of its family concerts by 100%, participated in Create NSW's *Creative Kids* programme, and secured new philanthropic support to offer subsidised ticket access for young and/or economically disadvantaged people.

Orchestral Instruments
To improve the quality of sound produced by the Orchestra, the Group maintains an Instrument Reserve to acquire fine instruments and support musicians who wish to acquire fine instruments independently. In 2019, the Group supported 18 musicians with 17 ongoing and one new loan to acquire instruments and worked with independent philanthropists to support their acquisition and loan of a 1790 Amati viola, a 1730 Grancino violin, and a 1780 Tourte bow for use by Principal musicians.

Process for Self-Assessment of Artistic Quality
There is an approved process for self-assessment of artistic quality and the Directors confirm that the nature and the outcomes of this process have been discussed during the 2019 financial year. These outcomes have informed the future planning of the Group and the self-assessment process draws on a variety of verifiable internal and external sources, including:

- The Orchestra's Artistic Committee;
- Joint meetings of the Board of Directors and Orchestra Artistic Committee;
- Weekly written assessments of visiting conductors by the full orchestra;
- Listening panel sessions with musicians and administration;
- Peer review panel comprised of expert academics, critics and classical music industry professionals;
- Assessment by Chief Conductor and Artistic Director;
- Assessment by visiting conductors and soloists;
- Assessment by ABC recording producers;
- Review through national and international press coverage; and
- Audience feedback, through surveys and other communication channels.

Sydney Opera House Trust Renewal Project
Performing for Australian audiences for over 80 years, the internationally renowned Sydney Symphony Orchestra (SSO) is Australia's flagship orchestra. The Sydney Opera House has been the home of the SSO for performances and rehearsals since its opening in 1973.

The renewal of the Sydney Opera House (SOH) including upgrading of the Concert Hall has the SSO performing predominantly at the Sydney Town Hall in 2020 and 2021 with a planned return to the Opera House in 2022. The Town Hall, the original home of the SSO with exceptional performance acoustics, has 900 fewer seats than the Concert Hall. Accordingly, the need to vacate the Concert Hall to allow the renewal project to proceed poses significant financial, operational and audience challenges to the SSO.

In October 2018 the NSW Government gave the SSO an assurance that it would provide financial support during the period of the renewal project subject to the establishment of a Work Group whose purpose was to identify options for government to address the financial implications arising for the SSO from the undertaking of the project.

The Renewal Project Work Group established by the NSW Minister for the Arts in late 2018 identified initiatives to mitigate the impact of the SSO's temporary relocation and to ensure it continues successfully to operate throughout the two-year renewal period. In late February 2019 subject to budget approval, which was later forthcoming, the NSW Government confirmed a funding commitment of $10 million to the SSO over two years (2019/2020 and 2020/2021). However, the administration of that funding is to be determined and the funds have not yet been received.

Create NSW and the Australia Council (Partner Funding Bodies), are undertaking a review to ensure the SSO is well positioned to deliver a sustainable business model both during this transition period and in the longer-term. That review will consider both the impact of the renewal project on the SSO's operations during the works, and whilst the SSO is performing away from the SOH, as well as in the period after the renewal works when the SSO would return to the SOH. It will assess the SSO's current business model, in terms of governance, financial, operational and artistic outcomes. The review will form part of the context in which the terms for the SSO's future use of the Concert Hall are agreed. The NSW Government and the SOH have advised that they remain committed to continue supporting the SSO as a resident company of the SOH. The terms for the SSO's use of the Concert Hall on its return are yet to be agreed.

Impact of COVID-19 pandemic – Material Uncertainty
NSW Government Public Health COVID-19 Restrictions Orders in the response to the COVID-19 pandemic has resulted in the cancellation of all upcoming performances. The SSO does not expect and is not planning to resume performances before 1 September 2020, at the earliest. The Directors acknowledge that due to the evolving nature of the pandemic and the Government response there is currently a material uncertainty as to when performances can recommence. Further there is material uncertainty as to the impact of COVID-19 on the economy and the community and its consequent impact on the operations of the SSO.

The cancellation of performances reduces revenue and operating cash flows which is expected to reduce the operating result for the year ended 31 December 2020. The Company is seeking to mitigate these impacts through reduction in costs, accessing the JobKeeper assistance package, and engaging with our Partner Funding Bodies

Directors' Assessment of Going Concern
The Company's Directors undertook a thorough assessment of going concern in preparing these financial statements. This was done in light of the significant financial and organisational impacts of the Sydney Opera House Trust Renewal Project, the requirements of Public Health Orders and the impacts of COVID-19. The review considered the operating budgets, projected balance sheet position and detailed cash flow for the Company for the period 2020-2021. In addition, the Directors had regard to the commitment of the NSW Minister for the Arts that the NSW Government will provide financial support during the period of the Renewal Project to ensure the Company can trade solvently and enter into appropriate agreements binding on the Company.

The combination of these considerations indicates that the Company can reasonably expect to be able to meet its obligations as and when they fall due for at least the period through to May 2021, even when considering there may be no performances through to the end of 2020. On this basis the Directors have a reasonable basis to consider the Company to be a going concern. Further, the Directors have a reasonable basis to consider the Company will be able to enter into commitments with third parties in preparation for presentation of the 2021 season.

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 Create NSW, uses reasonable endeavours to maintain and improve its overall financial viability, having regard to both reserves and annual results. At 31 December 2019, the level of reserves totalled 17% of the Group's annual costs (2018: 16%).

Review and Results of Operations
The Group presented 202 concerts by the Sydney Symphony Orchestra and Sydney Symphony Fellows to 278,500 adults and school children in New South Wales in the year ended 31 December 2019 and reached a further 65,500 patrons in 80 countries through digital livestreaming.

The Group recorded an operating deficit of 1% of total expenses for the 2019 year of $501,630 (2018: deficit of $2,897,665) which included the impact of the Sydney Opera House Renewal Project (SOH Renewal Project). The operating performance excluding the SOH Renewal Project impact of $251,334 (2018: $2,194,535) was an operating deficit of $250,296 compared to $703,130 in 2018. Further after excluding bequests of $159,192 (2018: $921,713) the 2019 result improved by $1,215,355 or 75% over 2018 performance. This improvement was driven primarily by a $888,233 or 28% increase in philanthropic giving together with a reduction in administrative overheads.

Operations lost $250,296 (2018: $703,130) primarily driven by lower than anticipated net contribution from concerts programmed for David Robertson's farewell season as Chief Conductor & Artistic Director.

Significant change in the state of affairs
Unless 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's continuing viability is dependent, inter alia, on maintaining its current level of funding, especially government funding, during 2019 and securing additional funding during the Sydney Opera House Trust's Renewal Project period beginning in 2020, the nature and impact of which has been outlined earlier in this report.

Dividends
The Group does not pay dividends.

Events subsequent to balance sheet date
Subsequent to 31 December 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic has resulted in the cancellation of performances since 14 March 2020 and NSW Government Public Health COVID-19 Restrictions Orders currently prevent any resumption of performances.

The impact of the COVID-19 pandemic has been outlined earlier in this report (under the section headed *Impact of COVID-19*) together with the resultant material uncertainties. The cancellation of performances reduces revenue and operating cash flows which is expected to reduce the operating result for the year ended 31 December 2020. The Company is seeking to mitigate these impacts through reduction in costs, accessing the JobKeeper assistance package, and engaging with our Partner Funding Bodies. Having regard to these material uncertainties, the Directors do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of COVID-19 on the Company at this time. No adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

No other 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:

Meeting Type	Board		Audit & Risk		Nomination & Remuneration	
Number of Meetings Attended (A) **Number of Meetings Eligible (B)**	**A**	**B**	**A**	**B**	**A**	**B**
Terrey Arcus AM – Note 1	5	5	-	-	2	2
Emma Dunch – Note 1	5	5	-	-	2	2
Geoff Ainsworth AM	5	5	2	2	-	-
Andrew Baxter	5	5	4	4	-	-
Kees Boersma	5	5	-	-	-	-
Ewen Crouch AM	4	5	3	4	-	-
Catherine Hewgill	5	5	-	-	-	-
David Livingstone	-	2	-	-	-	1
The Hon Justice A J Meagher	5	5	3	4	2	2
Karen Moses	5	5	4	4	1	1
Dr John Vallance	5	5	-	-	2	2
Geoff Wilson	3	3	2	2	1	1

Note 1- The Chairman of the Board, the Chief Executive Officer and the Director of Finance attend meetings of the Audit and Risk Committee by invitation. All other Directors who are not committee members, as well as the external auditors, may attend the meetings of the 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 23.

Indemnification and insurance of Officers
Insurance and indemnity arrangements established in previous years concerning officers of the Group were renewed and continued during 2019. Sydney Symphony Orchestra Holdings Pty Limited paid the premium of $35,420 (2018: $32,350) 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 Group, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

Indemnification of Auditors
To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Auditor's Independence Declaration
The Auditor's Independence Declaration forms part of the Directors Report and is set out on page 12.

Signed in accordance with a resolution of the Directors:

Terrey Arcus AM
Chairman

Sydney
7 May 2020

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 2019, 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 the Group's 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, marketing and digital technology, law, performance of orchestral music and music education. This experience is set out in their biographies.

The Board is supported by an 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: Act Ethically and Responsibly

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. The Group has a policy dealing with harassment of any kind, including sexual harassment and bullying, that is clearly communicated and provides guidelines for CEOs and staff around dealing with misconduct.

Principle 4: Ensure 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, the Board received regular updates on diversity statistics. Further work on the diversity action plan is pending with measurable objectives designed to enhance our commitment to promote diversity in the workplace.

Principle 5: Safeguard Integrity in all Reporting

The 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; and
- Monitoring and reviewing the financial management and position of the Group.

The 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 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: Engage with Stakeholders
The Group has a number of stakeholders, including its audience, Federal, State and Local Government, its many corporate and individual supporters and its musicians and staff. The Board reviews the annual compliance and reporting calendar to ensure stakeholder obligations are met.

Principle 7: Recognise and Manage Risk
Quarterly updates of the Group's risk register are undertaken by management and presented to the Audit and Risk Committee. Management undertakes regular workshops to identify further risks and develop a Risk Management Plan. The output of the workshops is reviewed by this Committee and the Board.

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 Group WHS plan annually. Appropriate site visits are also made by the Directors.

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 remuneration arrangements for senior management.

Signed on behalf of the Board of Directors

Terrey Arcus AM
Chairman

Sydney
7 May 2020

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Building a better
working world

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 2019, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Lisa Nijssen-Smith
Partner
7 May 2020

Income Statement for the year ended 31 December 2019

	Notes	2019 Consolidated $	2018 Consolidated $
Revenue			
Ticket sales	4	19,544,842	21,222,338
Funding revenue	5	15,130,425	14,946,546
Sponsorship and donations	6	5,406,821	5,317,609
Other income	7	1,558,134	2,685,733
Total revenue		41,640,222	44,172,226
Expenses			
Employee expenses	8	24,490,096	25,532,697
Artist fees and expenses		5,229,156	6,384,949
Marketing expenses		2,700,905	3,299,848
Production expenses		7,163,736	8,780,916
Depreciation and amortisation	8	649,469	211,981
Finance costs	8	44,913	-
Other expenses		1,863,577	2,859,500
Total expenses		42,141,852	47,069,891
Net loss for the year		(501,630)	(2,897,665)
Income tax expense	9	-	-
Loss after income tax		(501,630)	(2,897,665)

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

Statement of Comprehensive Income for the year ended 31 December 2019

	Notes	2019 Consolidated $	2018 Consolidated $
Loss after income tax		(501,630)	(2,897,665)
Other comprehensive income			
Cash flow hedges:			
Loss taken to equity	26	-	(4,925)
Total comprehensive income		(501,630)	(2,902,590)

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

Statement of Financial Position as at 31 December 2019

	Notes	2019 Consolidated $	2018 Consolidated $
Current Assets			
Cash and cash equivalents		4,903,143	4,023,911
Term deposits		8,020,114	9,206,540
Other financial assets	10	73,162	83,402
Trade and other receivables	11	1,345,541	716,377
Lease receivable	14	153,137	-
Prepayments		792,236	684,325
Total Current Assets		15,287,333	14,714,555
Non-Current Assets			
Property, plant and equipment	12	1,965,555	2,005,455
Intangible assets	13	53,244	146,217
Right-of-use assets	14	1,147,301	-
Other financial assets	10	3,515,705	3,586,513
Term deposits		580,000	2,292,292
Prepayments		-	497,246
Total Non-Current Assets		7,261,805	8,527,723
Total Assets		22,549,138	23,242,278
Current Liabilities			
Trade and other payables	15	2,487,194	2,359,485
Prepaid revenue	16	6,933,354	8,612,726
Provisions	17	4,209,350	4,020,336
Lease liabilities	14	673,583	-
Total Current Liabilities		14,303,481	14,992,547
Non-Current Liabilities			
Provisions	17	500,860	666,347
Lease liabilities	14	663,043	-
Total Non-Current Liabilities		1,163,903	666,347
Total Liabilities		15,467,384	15,658,894
Net Assets		7,081,754	7,583,384
Equity			
Symphony Reserve	18	3,787,381	3,808,685
International Touring Reserve	19	-	-
Instrument Reserve	20	153,797	149,696
Maestro’s Circle Reserve	21	-	-
Cash Flow Hedge Reserve	26	-	-
Matthew Krel Fund	22	580,000	580,000
Retained Earnings		2,560,576	3,045,003
Total Equity		7,081,754	7,583,384

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

Statement of Changes in Equity for the year ended 31 December 2019

Consolidated	**Notes**	**Retained Earnings**	**Symphony Reserves (Note 18)**	**International Touring Reserve (Note 19)**	**Cash Flow Hedge Reserve (Note 26)**	**Instrument Reserve (Note 20)**	**Maestro's Circle Reserve (Note 21)**	**Matthew Krel Fellowship Fund (Note 22)**	**Total Equity**
		$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
As at 1 January 2019		3,045,003	3,808,685	-	-	149,696	-	580,000	7,583,384
Net loss for the year		(501,630)	-	-	-	-	-	-	(501,630)
Other comprehensive loss		-	-	-	-	-	-	-	-
Transfer from/(to) Symphony Reserve	18	(159,192)	159,192	-	-	-	-	-	-
Transfer from/(to) Symphony Reserve	18	180,496	(180,496)	-	-	-	-	-	-
Transfer from/(to) International Touring Reserve	19	-	-	-	-	-	-	-	-
Transfer from/(to) Instrument Reserve	20	(4,101)	-	-	-	4,101	-	-	-
Transfer from/(to) Maestro's Circle Reserve	21	-	-	-	-	-	-	-	-
Transfer from/(to) Maestro's Circle Reserve	21	-	-	-	-	-	-	-	-
Transfer from/(to) Matthew Krel Fund	22	(16,820)	-	-	-	-	-	16,820	-
Transfer from/(to) Matthew Krel Fund	22	16,820	-	-	-	-	-	(16,820)	-
As at 31 December 2019		**2,560,576**	**3,787,381**	**-**	**-**	**153,797**	**-**	**580,000**	**7,081,754**

Consolidated	**Notes**	**Retained Earnings**	**Symphony Reserves (Note 18)**	**International Touring Reserve (Note 19)**	**Cash Flow Hedge Reserve (Note 26)**	**Instrument Reserve (Note 20)**	**Maestro's Circle Reserve (Note 21)**	**Matthew Krel Fellowship Fund (Note 22)**	**Total Equity**
		$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
As at 1 January 2018		6,210,429	3,545,153	-	4,925	145,467	-	580,000	10,485,974
Net loss for the year		(2,897,665)	-	-	-	-	-	-	(2,897,665)
Other comprehensive loss		-	-	-	(4,925)	-	-	-	(4,925)
Transfer from/(to) Symphony Reserve	18	(921,713)	921,713	-	-	-	-	-	-
Transfer from/(to) Symphony Reserve	18	658,181	(658,181)	-	-	-	-	-	-
Transfer from/(to) International Touring Reserve	19	-	-	-	-	-	-	-	-
Transfer from/(to) Instrument Reserve	20	(4,229)	-	-	-	4,229	-	-	-
Transfer from/(to) Maestro's Circle Reserve	21	400,000	-	-	-	-	(400,000)	-	-
Transfer from/(to) Maestro's Circle Reserve	21	(400,000)	-	-	-	-	400,000	-	-
Transfer from/(to) Matthew Krel Fund	22	(16,651)	-	-	-	-	-	16,651	-
Transfer from/(to) Matthew Krel Fund	22	16,651	-	-	-	-	-	(16,651)	-
As at 31 December 2018		**3,045,003**	**3,808,685**	**-**	**-**	**149,696**	**-**	**580,000**	**7,583,384**

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

Statement of Cash Flows for the year ended 31 December 2019

	2019 Consolidated $	2018 Consolidated $
Cash flows used in operating activities		
Cash receipts from box office and sponsors	19,968,446	25,479,738
Cash receipts from general donations	4,090,873	4,007,306
Cash payments to suppliers and employees	(42,255,174)	(49,377,619)
Grants received from government funding bodies	16,531,444	16,441,201
Interest on leases	(44,913)	-
Net payment of Goods and Services Tax	(413,946)	(180,608)
Net cash flows used in operating activities	(2,123,270)	(3,629,982)
Cash flows from financing activities		
Interest received	548,596	637,220
Receipt from lease receivables	163,387	-
Payment of lease liabilities	(581,578)	-
Employee instrument loans granted	(40,000)	(156,950)
Proceeds from repayments on employee instrument loans	112,734	78,181
Net Cash flows from financing activities	203,139	558,451
Cash flows from investing activities		
Payments for property, plant and equipment	(105,980)	(152,674)
Proceeds from the Sale of Fixed Asset	9,090	5,000
Payments for intangible assets	(2,465)	(82,089)
Redemption of financial assets	9,206,540	6,952,530
Investment in financial assets	(6,307,822)	(4,106,887)
Net cash flows from investing activities	2,799,363	2,615,880
Net increase/(decrease) in cash held	879,232	(455,651)
Cash and cash equivalents at beginning of financial year	4,023,911	4,479,562
Cash and cash equivalents at end of year	4,903,143	4,023,911

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 2019 was authorised for issue in accordance with a resolution of the Directors on 7 May 2020.

Sydney Symphony Limited (the parent) is a "not-for-profit" public company limited by guarantee, incorporated and domiciled in Australia. The address of the registered office is 55 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 *Australian Charities and Not-for-Profits Commissions Act 2012*, 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 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 *Australian Charities and Not-for-Profits Commissions Act 2012.*

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 26 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 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 recognised 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 2019.

The financial statements of its subsidiary are prepared for the same reporting period as the parent Group, using consistent accounting policies. In preparing the consolidated financial statements, all intergroup 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 and material uncertainty

The financial report has been prepared on a going concern basis which assumes the Group will be able to pay its debts as and when they become payable for a period of at least 12 months from the date of the financial report.

The Group generated a loss for the year of $501,630 (2018: loss of $2,897,665), and at year end had a surplus of net assets of $7,081,754 (2018: $7,583,384) and net current assets of $983,852 (2018: net current liability $277,992). The Group generated net cash outflows in operating activities of $2,123,270 (2018: $3,629,982). The Group does not have any bank or other external debt.

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 is current for the period 2019-2021 with the Australia Council for the Arts and Create NSW, subject to the Group continuing to meet the requirements of the Tripartite Agreement.

The Group's Directors have undertaken a thorough assessment of going concern; this review considered the operating budgets, projected balance sheet position and detailed cash flow for the Group for the period 12 months from the date of these financial statements. This assessment also had regard to two significant matters.

The Group has been in negotiation with the NSW Government regarding additional funding in relation to the disruption caused by closure of the Sydney Opera House Concert Hall during the renovation period (anticipated to be February 2020 to December 2021). These negotiations are well advanced and the Directors have been provided assurances that funding will be forthcoming, however the extent and terms of the additional funding have not been confirmed at this time.

Separately, Note 28 *Events after the reporting period* refers to the COVID-19 outbreak being declared a pandemic by the World Health Organisation subsequent to 31 December 2019. The pandemic has resulted in the cancellation of Sydney Symphony Orchestra performances since 14 March 2020 and NSW Government Public Health COVID-19 Restrictions Orders currently prevent any resumption of performances. The Directors acknowledge that due to the evolving nature of the pandemic there is currently a material uncertainty as to when performances will be able to recommence and under what Government imposed conditions. The cancellation of performances has to date and will result in a reduction in revenue and operating cashflows which is expected to reduce the operating result for the year ended 31 December 2020. Management have put in place a number of initiatives to reduce costs where possible, while protecting the integrity of the SSO.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

To the extent the duration of the COVID-19 pandemic and its impact on the Group is significantly greater than anticipated by the Directors and that the additional funding referred to above is not forthcoming, significant uncertainty exists surrounding the Group's ability to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

c) Revenue recognition

2019 accounting policies:

AASB 15 Revenue from Contracts with Customers ('AASB 15'), AASB 1058 Income of Not-for-Profit Entities ('AASB 1058') and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities have been applied using the modified retrospective method with any transition adjustments posted on 1 January 2019.

When a contract with a customer falls under AASB 15, the following steps have been satisfied in order to recognize revenue:

1. Identify contract with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to each performance obligation;
5. Recognise revenue when performance obligations are satisfied.

All amounts disclosed are net of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

i. Funding revenue

Funding revenue is received from the Australia Council for the Arts (as represented by The Major Performing Arts Board) and Create NSW. Funding is received based on payment schedules contained in a funding agreement between the funding bodies and the parent entity. The revenue is recognised in the calendar year for which it is intended under the terms of the agreement.

Any funding not spent on the planned activities agreed between the parties at the start of each calendar year is required to be repaid.

ii. Ticket sales

Revenue from ticket sales is recognised in the Income Statement when the performance obligation is satisfied, which is 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".

iii. Sponsorship, Trusts & Foundations and donations

Sponsorship – Sponsorship cash and in-kind commitments are brought to account as income when contractual performance obligations are fulfilled which can be over time or at a point in time depending on the nature of the performance obligations. When the transaction price is received before the performance obligations are fulfilled, the Group recognise the received consideration as prepaid revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trusts & Foundations – where grants from Trusts & Foundations are enforceable and specific, revenue is recognised once the performance obligations outlined in the contract have been met. When the grant is received before the performance obligations are fulfilled, the Group recognises the received consideration as prepaid revenue. Where grants are not enforceable or are provided without specific performance obligations revenue is recognised when payment of the grant is received.

Donations and Bequests – donations and bequests received without an obligations attached and/or considered non-enforceable are recognised as revenue when the Group obtains control of the contribution and its amount can be reliably measured. For non-reciprocal donations, this is generally when the cash is received.

iv. **Orchestral hire income**
Revenue from orchestral hire is recognised as the performance obligations are fulfilled which is when these services are performed.

v. **Interest income**
Interest income on deposits is recognised on an accruals basis.

2018 accounting policies:

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. **Funding revenue**
Funding revenue is received from the Australia Council for the Arts (as represented by The Major Performing Arts Board) and Create NSW. Funding is received based on payment schedules contained in a funding agreement between the funding bodies and the parent 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.

ii. **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”.

iii. **Sponsorship and donations**
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 recognised as revenue when the Group obtains control of the contribution and its amount can be reliably measured. For non-reciprocal donations, this is generally when the cash is received.

iv. **Orchestral hire income**
Revenue from orchestral hire is recognised as these services are performed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. **Interest income**
Interest income 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 reporting date.

The Group 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) Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of twelve 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.

g) 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. Trade receivables are reviewed and assessed for lifetime expected credit losses based on a combination of historical observed default rates, prevailing and anticipated economic conditions and known circumstances at the individual debtor level. An allowance for provision for impairment of trade receivables is used when there is an expectation that the full contractual trade receivable will not be recovered. The

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

amount of the impairment loss is recognised in the Income Statement within Other Expenses.

h) 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, furniture and fittings, 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.

i) Intangible assets

Software licences and website external development costs have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Intangible assets 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.

j) Right-of-use Assets

Right-of-use assets is a new category of assets in 2019 representing leases for office space. This change from prior years is due to the adoption of AASB16 (see section 'o)' below). Right-of-use assets are depreciated to the earlier of the useful life of the asset or the lease term (see Note 3) using the straight-line method and is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in "Depreciation and amortisation".

The Group has identified three lease agreements that are considered as peppercorn leases. They relate to the loan by third parties of musical instruments between two and five years which are used by nominated Sydney Symphony Orchestra permanent musicians. As permitted by AASB 2018-8 Amendments to Australian Standards – Right-of-Use Assets for Not-for-Profit Entities ('AASB 2018-8'), the Group recognises its peppercorn lease right-of-use asset at cost under the relief provided to not-for-profits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Impairment

The carrying values of non-financial assets 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 non-financial assets and intangible assets is the greater of fair value less costs to sell and value in use. Impairment losses are recognised in the Income Statement.

l) Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the Statement of Financial Position within a classification relevant to the underlying asset.

The lease term is determined as being the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Where the lease contract includes non-consecutives periods, the lease term is the aggregate of the non-consecutive periods.

ROU assets are initially measured at cost with the cost comprising:

a) the amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs;
d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs is incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent to the commencement date, right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The lease liability as at the date of initial application (1 January 2019) has been calculated as the present value of the remaining lease payments as at the date of initial application, based on an incremental borrowing rate (average rate of 3.34%) over the remaining lease term. The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The lease payment used in the calculation of the lease liabilities includes variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the Group has used the incremental uplift contained in the lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent to the commencement date, lease liabilities are measured by:
a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group does not recognise leases that have a lease term of 12 months or less or are of low value as a right of use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term.

The unwind of the financial charge on the lease liabilities is recognised in the Statement of Profit or Loss and Other Comprehensive Income in "Finance costs" based on the Group's incremental borrowing rate.

In classifying a sublease, the lessor should classify the sublease as either operating lease or a finance lease. If the head lease is a short-term lease that the Group as lessee has accounted for applying the short-term practical expedient, the sublease shall be classified as operating lease. Otherwise the sublease shall be classified by reference to the ROU arising from the lead lease rather than by reference to the underlying asset. If the sublease is classified as a finance lease, the original lessee derecognises the ROU on the head lease at the sublease commencement date. The Group as sublessor recognises a net investment in the sublease and evaluates is for impairment

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 Group expects to pay, including related on-costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match as closely as possible the estimated future cash outflows.

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.

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. These loans are held in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. As such, they are recognised initially at fair value and subsequently measured at amortised cost. Where the credit risk associated with these loans is deemed to remain significantly unchanged, they are reviewed and assessed for expected credit losses over a 12-month period based on a combination of historical observed default rates, prevailing and anticipated economic conditions and known circumstances at the individual debtor level. An allowance for provision for impairment is used when there is an expectation that the full contractual loan will not be recovered. The amount of the impairment loss is recognised in the Income Statement within Other Expenses.

p) Changes in accounting policies
The principal accounting policies adopted are consistent with those of the previous financial year except for the policies statements below.

New and amended standards and interpretations
The Group adopted the following Australian Accounting Standards from 1 January 2019:

AASB 15 Revenue from Contracts with Customers ('AASB 15')
AASB 15 establishes a comprehensive five-step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Under AASB 15, revenue is recognised when a performance obligation has been satisfied at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer/member. The standard requires entities to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers/members.

The Group has elected to apply the modified retrospective method of adoption for AASB 15. There was no material impact on the financial statements as a result of implementation of AASB 15 and accordingly no adjustment has been made to the opening balance of retained earnings at 1 January 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 16 Leases ('AASB 16')
AASB 16 removes the current operating and finance lease distinction for lessees and requires entities to recognise all material leases on the Statement of Financial Position. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short-term leases and leases of low value assets.

The Group has elected to apply the modified retrospective method of adoption for AASB 16. At the date of initial application, 1 January 2019, the Group elected to measure right-of-use assets as an amount equal to the future lease liability. In addition, the Group has a sub-lease in respect of one of its right-of-use ('ROU') assets that met the definition of a finance lease arrangement. The related ROU asset was derecognised. A lease receivable was recognised and measured as an amount equal to the future lease receipts. As disclosed in Note 14, the adoption of AASB 16 has resulted in:

- The recognition of right-of-use assets of $1,322,028
- The recognition of lease liabilities of $1,631,151
- The recognition of lease receivables of $309,123

The Group has relied on the temporary relief available under *AASB 2018-8 Amendments to Australian Standards – Right-of-Use Assets for Not-for-Profit Entities* which provides that a not-for-profit entity may elect to measure a class or classes of asset at initial recognition at cost for leases that have significant below-market terms and conditions principally to enable the entity to further its objectives. The Group has made this election in respect of three fine instruments loaned to it at no cost for a period of between two and five years for use by nominated Sydney Symphony Orchestra permanent musicians, with whom the Group has an agreement.

AASB 1058 Income of Not-for-Profit Entities ('AASB 1058')
AASB 1058 simplifies the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15 Revenue from Contracts with Customers. The Group has elected to apply the modified retrospective method of adoption. AASB 1058 did not materially impact the Group's financial statements.

q) Derivative Financial Instruments

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.

r) Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group's business model for managing financial assets refers to how it managed its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Standards issued but not yet effective

There are no new Australian Accounting Standards and AASB Interpretations expected to have any significant impact on the Group's financial report that are issued and not yet applicable.

t) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purposes of trading,
- It is due to be settled within twelve months of the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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 2019.

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 17.

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.

Incremental Borrowing Rate
The incremental borrowing rate is an estimate of the rate the Group would be charged on borrowings by an external party and is influenced by the term of the loan and whether security is provided.

Lease Term
The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised. The assessment of the reasonable certainty of the exercising of options to extend the lease, or not exercising of options to terminate the lease, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the Group's control and it affects the reasonable certainty assumptions. The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

4. TICKET SALES

	2019 Consolidated $	2018 Consolidated $
Subscriptions	7,575,123	8,038,478
Single night	11,969,719	13,183,860
Total ticket sales	19,544,842	21,222,338

5. FUNDING REVENUE

	2019 Consolidated $	2018 Consolidated $
Australia Council for the Arts	11,676,342	11,492,463
Arts NSW – Regional Touring Programme	101,840	101,840
Arts NSW	3,352,243	3,352,243
Total funding revenue	15,130,425	14,946,546

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 Create NSW. As a result, the Group has an economic dependency on these entities. The Funding Agreement with the Australia Council for the Arts and Create NSW was current for the period 2019 to 2021.

6. SPONSORSHIP AND DONATIONS

	2019 Consolidated $	2018 Consolidated $
Sponsorship	1,223,803	1,260,303
General donations	3,529,518	2,885,593
Bequests	159,192	921,713
Trusts & Foundation donations	494,308	250,000
Total sponsorship and donations	5,406,821	5,317,609

7. OTHER INCOME

	2019 Consolidated $	2018 Consolidated $
Orchestral hire income	787,993	1,555,118
Interest income	502,295	602,579
Other income	267,846	528,036
Total other income	1,558,134	2,685,733

8. EXPENSES

	2019 Consolidated $	2018 Consolidated $
Employee expenses:		
Salaries and wages	21,693,726	22,883,830
Superannuation	2,503,543	2,425,224
Other employee expenses	292,827	223,643
Total employee expenses	24,490,096	25,532,697
Depreciation and amortisation:		
Depreciation of property, plant and equipment	137,164	130,757
Depreciation of right-of-use assets	416,867	-
Amortisation of intangible assets	95,438	81,224
Total depreciation and amortisation	649,469	211,981
Finance costs:		
Interest on Lease Liability	44,913	-
Operating lease rental expense	120,072	667,308

9. INCOME TAX

The Group'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

	2019 Consolidated $	2018 Consolidated $
Current assets		
Employee instrument loans	73,162	83,402
Non-current assets		
Floating rate notes	3,314,396	3,322,711
Employee instrument loans	201,309	263,802
Total non-current other financial assets	3,515,705	3,586,513

11. TRADE AND OTHER RECEIVABLES

	2019 Consolidated $	2018 Consolidated $
Trade debtors	584,341	50,156
Other receivables	578,896	430,214
Accrued income	182,304	236,007
Total trade and other receivables	1,345,541	716,377

12. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Plant and equipment	Fixtures and fittings	Musical instruments acquired through the Instrument reserve	Musical instruments acquired	Computer equipment	Total
	$	$	$	$	$	$
Year ended 31 December 2019						
At 1 January 2019, net of accumulated depreciation	101,590	102,478	1,438,087	264,597	98,704	2,005,455
Additions	71,887	7,906	-	13,336	12,851	105,980
Disposals	-	(308)	-	(8,409)	-	(8,717)
Depreciation charge for the year	(28,035)	(30,065)	-	(33,386)	(45,678)	(137,164)
As at 31 December 2019, net of accumulated depreciation and impairment	**145,442**	**80,011**	**1,438,087**	**236,138**	**65,877**	**1,965,555**
At 31 December 2019						
Cost or fair value	254,360	180,303	1,438,087	549,019	156,851	2,578,620
Less write down – Note 12.1	-	-	-	-	-	-
Cost or Fair Value	254,360	180,303	1,438,087	549,019	156,851	2,578,620
Accumulated depreciation-Note 12.1	(108,919)	(100,291)	-	(312,881)	(90,974)	(613,065)
Less write down – Note 12.1	-	-	-	-	-	-
	(108,919)	(100,291)	-	(312,881)	(90,974)	(613,065)
Net carrying amount	**145,442**	**80,012**	**1,438,087**	**236,138**	**65,877**	**1,965,555**
	$	$	$	$	$	$
At 31 December 2018						
Cost or fair value	182,473	173,362	1,438,087	545,724	144,000	2,483,646
Accumulated depreciation	(80,884)	(70,884)	-	(281,127)	(45,296)	(478,190)
Net carrying amount	101,590	102,478	1,438,087	264,597	98,704	2,005,455

Note 12.1 - During the year, $nil fully depreciated assets were written off against the related accumulated depreciation as disclosed against the asset class. (2018: $116,880).

13. INTANGIBLE ASSETS - SOFTWARE

	2019 Consolidated	2018 Consolidated
	$	$
At 1 January, net of accumulated amortisation	146,217	145,352
Additions	2,465	82,089
Amortisation charge for the year	(95,438)	(81,224)
As at 31 December, net of accumulated amortisation and impairment	53,244	146,217
At 31 December		
Cost or fair value- Note 13.1	290,565	288,100
Accumulated Amortisation – Note 13.1	(237,321)	(141,883)
Cost or fair value carried forward	53,244	146,217

Note 13.1 - During the year, $nil of fully amortised assets were written off against the related accumulated amortisation as disclosed against the asset class. (2018: $nil).

14. LEASES

The right-of-use asset, lease liabilities and lease receivable outlined below are all in respect of the spaces leased at Clocktower, 55 Harrington Street, The Rocks (administrative offices) and at 6 Lanceley Place, Artarmon (storage facility).

a) Right-of-use asset

	2019 Consolidated $	2018 Consolidated $
Year ended 31 December		
At 1 January, net of accumulated depreciation	1,322,028	-
Additions	242,140	-
Depreciation charge for the year	(416,867)	-
As at 31 December, net of accumulated depreciation and impairment	**1,147,301**	**-**
At 31 December		
Cost at fair value	1,564,168	-
Accumulated depreciation	(416,867)	-
Net carrying amount	**1,147,301**	**-**

b) Lease liabilities

	2019 Consolidated $	2018 Consolidated $
Current: Lease liabilities	673,583	-
Non-current: Lease liabilities	663,043	-
Total lease liabilities	**1,336,626**	**-**

	2019 Consolidated $	2018 Consolidated $
At 1 January	1,631,151	-
Additions	242,140	-
Interest expense	44,913	-
Lease payments	(581,578)	-
As at 31 December	**1,336,626**	**-**

Reconciliation of the lease liabilities on 1 January 2019 to the operation lease commitments as at 31 December 2018 as disclosed in the Note 25:

	Office space Consolidated $
Lease commitments as at 31 December 2018	1,117,213
Extension options reasonably certain to be exercised	595,093
Gross lease liabilities as at 1 January 2019	1,712,306
Discounting	(82,155)
Lease liabilities as a result of the initial application of AASB 16 as at 1 January 2019	**1,631,151**

14. LEASES (continued)

c) Lease receivable

	2019 Consolidated $	2018 Consolidated $
Current: Lease receivable	153,137	-

	2019 Consolidated $	2018 Consolidated $
At 1 January	309,123	-
Additions	-	-
Interest receivable	7,401	
Lease payments	(163,387)	-
As at 31 December	**153,137**	-

15. TRADE AND OTHER PAYABLES

	2019 Consolidated $	2018 Consolidated $
Accruals	1,511,644	1,405,551
Trade creditors	861,949	891,345
Other payables	113,601	62,589
Total trade and other payables	2,487,194	2,359,485

The fair value of trade and other payables 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.

16. PREPAID REVENUE

	2019 Consolidated $	2018 Consolidated $
Prepaid ticket sales	6,605,071	8,185,693
Prepaid other	328,283	427,033
Total prepaid revenue	6,933,354	8,612,726

17. PROVISIONS

	2019 Consolidated $	2018 Consolidated $
Current provisions:		
Employee benefits	4,028,631	4,020,336
Make good provision	180,719	-
Total current provisions	4,209,350	4,020,336
Non-current provisions		
Employee benefits	500,860	485,628
Make good provision	-	180,719
Total non-current provisions	500,860	666,347

18. SYMPHONY RESERVE

	2019 $	2018 $
Accumulated reserves at 1 January	3,808,685	3,545,153
Transfer from retained earnings in relation to:		
Current year bequests	159,192	921,713
Transfer to retained earnings in relation to:		
Disbursement of bequests	(180,496)	(658,181)
	3,787,381	3,808,685

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 and to hold restricted use bequests. Transfers to retained earnings are made on disbursement of restricted use bequests.

19. INTERNATIONAL TOURING RESERVE

	2019 $	2018 $
Accumulated reserves at 1 January	-	-
Transfer to retained earnings in relation to:		
Net deficit from tour activities	-	-
Accumulated reserves at 31 December	-	-

The International Touring Reserve was established under protocols agreed by the Board to raise and accumulate capital to support the aims of the Group in relation to international touring. As at 1 January 2018, the Reserve held no accumulated funds and no funds were raised in either 2018 or in 2019 for International Touring. Accordingly, no funds were available for transfer to retained earnings in support of the tour to Europe in November 2018. The Orchestra did not tour internationally in 2019.

20. INSTRUMENT RESERVE

	2019 $	2018 $
Accumulated reserves at 1 January	149,696	145,467
Transfer from retained earnings for interest earned	4,101	4,229
Accumulated reserves at 31 December	153,797	149,696

The assets purchased using the Instrument Reserve are included in *Property Plant and Equipment - Musical Instruments*. There were no purchases in 2019 (2018: Nil).

21. MAESTRO'S CIRCLE RESERVE

	2019 $	2018 $
Accumulated reserves at 1 January	-	-
Transfer from retained earnings in relation to: Maestro's Circle donations	-	400,000
Transfer to retained earnings in relation to: Maestro's Circle expenses	-	(400,000)
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 Principal Conductor and Artistic Advisor, Mr Vladimir Ashkenazy through his tenure to the end of 2013. The Maestro's Circle Reserve was continued in 2019 to fund expenditure associated with gala concert activities, opera in concert, recordings and new orchestral compositions proposed by the current Chief Conductor and Artistic Director, Mr David Robertson. In 2019 the Maestro's Circle was relaunched as a major gifts program within the Group's annual fundraising strategy and Maestro's Circle funds are reflected in the Group's annual philanthropic giving totals.

22. MATTHEW KREL FUND

	2019 $	2018 $
Accumulated balance at 1 January	580,000	580,000
Interest earned	16,820	16,651
Transfer to retained earnings in relation to: Matthew Krel Fund	(16,820)	(16,651)
Accumulated balance at 31 December	580,000	580,000

The Matthew Krel Fund was created in 2015 following a donation from the SBS Radio and Television Youth Orchestra to support the Sydney Symphony Orchestra Fellowship Programme for young emerging artists. The interest earned on the fund endows a Fellowship position in perpetuity in remembrance of SBS Youth Orchestra founder, Mr Matthew Krel. The fund is matched by a specific non-current term deposit for $580,000, invested in accordance with the Group's investment policy.

23. 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 Group during the financial period are listed 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

	2019 Consolidated $	2018 Consolidated $
Total Compensation	863,708	840,074

Payments were made to directors for their services as employees of the Group 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.

24. RELATED PARTIES

a) Directors - Transactions with Directors

Ms Emma Dunch, a Director of the Group, was a Director of Symphony Services Australia Limited during the year. During the year, this entity provided orchestral services to the Group totalling $3,712,190 (2018: $3,790,717) and also paid the Group a licence fee for use of serviced premises amounting to $173,789 (2018: $167,361).

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.

25. COMMITMENTS AND CONTINGENCIES

a) Operating lease (non-cancellable)

	2019 Consolidated $	2018 Consolidated $
Not later than one year	-	571,658
Later than one year and not later than five years	-	545,555
	-	1,117,213

The Group has no significant non-cancellable operating lease commitments as at 31 December 2019. Prior year commitments related to office space which have been reclassified as right-of-use assets on implementation of AASB 16.

25. COMMITMENTS AND CONTINGENCIES (continued)

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

	2019 Consolidated $	2018 Consolidated $
Not later than one year	493,500	1,508,090
Later than one year and not later than five years	2,114,500	1,038,000
	2,608,000	2,546,090

The Group has entered into contracts for performances scheduled to take place during 2020-2024 (2018: 2019-2021). 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 55 Harrington Street, The Rocks, NSW, for the amount of $302,000. (2018: $302,000).
ii. credit collateral on advertising contracts for $200,000 (2018: $200,000).

No liability is expected to arise from these guarantees.

26. 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 assets and financial instruments, and the methods used to estimate the fair value are summarised in point (e) below.

b) Credit risk exposure

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument. The Group's maximum exposure to credit risk at the reporting 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. The carrying value of financial assets may be affected by changes in the credit risk of the counterparty.

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.

26. FINANCIAL INSTRUMENTS (continued)

e) Derivative financial instruments

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. The fair value of the derivative financial instruments is calculated using quoted prices in active markets.

The fair value of financial assets is calculated by reference to the value that the instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale. The fair value of loans and receivables at the balance date is $3,462,167 (2018: $3,391,483).

Valuation Technique Market Observable Inputs (Level 2)	**2019 Consolidated $**	**2018 Consolidated $**
Assets/Liabilities		
Floating rate notes (note 10)	3,314,396	3,322,711
Forward currency contracts – cash flow hedges	-	-
	3,314,396	3,322,711

(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 enters into forward currency contracts to purchase US dollars when appropriate. As at the reporting date there are no forward currency contracts (2018: none).

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) No profit or loss was taken to other comprehensive income during the period (2018: loss of $4,925).

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

	2018	2017
	$	$
Current assets	-	-
Non-current assets	7,082,084	7,583,714
Total assets	7,082,084	7,583,714
Current liabilities		
Total liabilities	330	330
Net assets	**7,081,754**	**7,583,384**
Equity		
Retained earnings	7,081,754	7,583,384
Total equity	**7,081,754**	**7,583,384**
Profit or loss of Parent Entity	(501,630)	(994,845)
Total comprehensive income of parent Group	(501,630)	(994,845)

28. EVENTS AFTER THE REPORTING PERIOD

COVID-19 pandemic

Subsequent to 31 December 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic has resulted in the cancellation of performances since 14 March 2020. Note 2b) sets out the impact of this matter on the Group.

In response to the impact of COVID-19 the Group negotiated reduced working hours with its musicians and administrative staff for the period 4 May 2020 to 31 December 2021. Variations to the *Sydney Symphony Orchestra Musicians' Agreement 2019-2021* and the *Sydney Symphony Orchestra Administrative Staff Agreement 2019-2021* were approved by the Fair Work Commission on 4 May 2020 and were implemented immediately. These variations provide a 30% reduction in musician salary costs and a 10% reduction in administrative staff salary costs for the period 4 May 2020 to 31 December 2020. For employees not covered by either agreement, salary reductions of between 10% and 40% have been agreed for the same period.

No adjustments have been made to the financial statements as at 31 December 2019 for either of the above events.

DIRECTORS' DECLARATIONS

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 2019, set out on pages 12 to 39, are in accordance with the *Australian Charities and Not For Profits Commission Act 2012*, including:
   i. giving a true and fair view of their financial position as at 31 December 2019 and performance for the year ended on that date;
   ii. complying with Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not For Profits Commission Regulations 2013*; 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

Terrey Arcus AM Chairman	Karen Moses Director
Sydney, 7 May 2020	Sydney, 7 May 2020

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Independent Auditor's Report to the Members of Sydney Symphony Limited

Opinion

We have audited the financial report of Sydney Symphony Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial report, which describes the impact of the Covid-19 pandemic on the Group. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the directors' report accompanying the financial report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

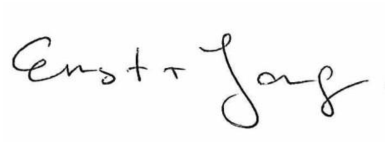
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young

Lisa Nijssen-Smith
Partner
Sydney
7 May 2020