



Sydney Symphony Limited

ABN 50 121 561 528

ANNUAL FINANCIAL REPORT

31 December 2021

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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 2021.

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 until resignation on 21 May 2021)
 Geoff Wilson (Chairman effective 27 May 2021)
 Geoff Ainsworth AM
 Andrew Baxter
 Kees Boersma
 Emma Dunch (resigned 9 December 2021)
 Susan Ferrier (appointed 7 February 2022)
 Catherine Hewgill
 The Hon Justice A J Meagher
 Samantha Meers AO
 Karen Moses
 Dr John Vallance (resigned 11 November 2021)

Qualification of Directors

Director	Experience and Qualifications
Terrey Arcus AM	BSc, BE (Hons) Syd; MBA (Dist) Harv. Founder & Consultant to Port Jackson Partners Limited
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
Emma Dunch	B A (Communications) B Music Performance (Opera)
Geoff Ainsworth AM	BA (Hons) UNSW, MA Macq, Dip. Fin. Mgt. UNE Director, Carriageworks Acquisitions and Loans Committee, AGNSW Director, Oranges & Sardines Foundation
Andrew Baxter	B Bus (Mktg), FAMI CPM, FAICD Chair, Australian Pork Non-Executive Director, Ancient Order of Foresters in Victoria Friendly Society Limited ("Foresters Financial") Non-Executive Director, BirdDog Non-Executive Director, GrowthOps Limited Non-Executive Director, Hypetap Non-Executive Director, Nettlefold Digital Pty Ltd Non-Executive Director, OzHarvest Senior Advisor, BGH Capital Adjunct Professor and Board of Advice, 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
Susan Ferrier	BA LLB, University of Sydney; MBA, Nijenrode University, The Netherlands Director, Committee for Sydney Director, Financial Executives Institute
Catherine Hewgill	B Mus Univ of Southern California Principal Cello Sydney Symphony Orchestra
The Hon Justice A J Meagher	BCom LLB, NSW; LLM, London School of Economics Judge of the Supreme Court of NSW, Court of Appeal
Samantha Meers AO	BA LLB, M Litt, FAICD Executive Deputy Chairman, Nelson Meers Group Co-Founder and Trustee, Nelson Meers Foundation Chairman, Belvoir St Theatre Chairman, Brett Whiteley Foundation Member, Advisory Council, Centre for Social Impact (University of NSW)
Karen Moses	BEc, Dip Ed Syd, FAICD Director, Snowy Hydro Director, Orica Limited Director, Boral Limited Director, Charter Hall Group Director, Music in the Regions Ltd. Chair, NSW Artform Board – Dance & Physical Theatre 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 Non-Executive Director, Crestone Foundation Trustee, ANZAC Memorial

Principal Activity

Performing for Australian audiences for 89 years, the internationally renowned Sydney Symphony Orchestra (“Group”) is Australia’s flagship orchestra. The Sydney Opera House has been the home of the Group for performances and rehearsals since its opening in 1973. From February 2020, the Group relocated to the Sydney Town Hall while the Sydney Opera House Concert Hall undergoes a multi-year renovation.

The principal activity of the Group is the performance of symphonic music, however this was hampered from 2020 by the global COVID-19 pandemic, which prevented most performances from being delivered due to social gathering restrictions.

From 1 January until 19 June 2021, the Group presented 44 public performances as originally planned. These performances included the inaugural concert on the Barangaroo stage as part of the Sydney Festival, the annual Symphony Under the Stars performance at Parramatta Park, Sunset Piazza on the St Mary’s Cathedral forecourt, and subscription concerts at Sydney Town Hall and City Recital Hall.

From 20 June 2021 until the end of the year, no public performances were mounted due to the Public Health Order restrictions that were introduced by the NSW Government effective 26 June 2021. During this time the Group produced a number of digital concerts which were shared, without charge, on multiple digital channels.

Despite another interrupted year, all filled Orchestra and administration positions were maintained.

Strategic Plan

In September 2020 the Group developed its two-year COVID response plan for the period 1 January 2021 to 31 December 2022. This plan outlined the Group's response to the increased uncertainties and changed operating environment presented by COVID-19, including the implications for employee health and wellbeing, the potential impact of physical distancing and the pandemic generally on patrons and the international travel restrictions on conductors and soloists. The Group devised a new artistic and performance framework to mitigate, to the extent possible, against the risks posed by COVID-19.

In addition, in late 2020, the Group embarked on a whole-of-company consultative process to set the key strategic direction of the Orchestra for 2022 and beyond. This longer-term strategic outlook affirmed the Group's commitment to create extraordinary experiences and change lives through orchestral music on stages, on screens and in communities.

Key Performance Indicators

As a result of the impact of COVID-19 on the operations of the Orchestra, the Key Performance Indicators set by the Group have been rendered largely redundant for the year ended 31 December 2021.

Artistic Leadership

Simone Young AM commenced her tenure as Chief Conductor Designate, and travelled to Australia twice during 2021. On her first visit she led the Orchestra in the opening weeks of the 2021 Season at the Sydney Town Hall. On her second visit she partnered closely with Concertmaster Andrew Haveron and senior executives to progress plans for future artistic projects including the return season to the Sydney Opera House Concert Hall as Chief Conductor.

As a result of COVID-19 international travel restrictions, the Orchestra had the opportunity to work with an increased number of Australian conductors, including Umberto Clerici, Dane Lam, Jessica Cottis, Fabian Russell and Nicolas Carter.

Supporting Australian Composers

In February 2020, the Group announced "The 50 Fanfares Project", a large-scale investment in the next generation of Australian contemporary music talent commissioning fifty new works, for various sized orchestral forces, to be premiered across 2021-2024. During 2021, 13 commissions underwent workshop development, 20 commissions were delivered and 9 commissions were premiered.

Training Australian Musicians

The Group's internationally recognised Sydney Symphony Fellowship programme celebrated its 20th Anniversary in 2021 and honoured the long contribution of its Artistic Director, Roger Benedict, to the programme. The 2020 Fellows cohort were automatically re-employed for 2021 so as to complete their training across an extended period. These 10 talented young orchestral musicians, selected through competitive national auditions, participated in mainstage performances, chamber music presentations, education concerts, and community engagement programmes, building skills and expertise to prepare them for lives as professional working musicians.

Serving and Educating the Citizens of New South Wales

In March 2021 the Group presented six schools concerts at Parramatta Riverside Theatre for Kindergarten to Year 8 students. In addition, prior to Public Health Order restrictions being introduced in June 2021 the Group was able to perform at Cowra Civic Centre and Orange Regional Conservatorium in February, The Art House, Wyong in March and the Four Winds Festival, Bermagui in April.

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 2021, the Group supported 15 musicians with 12 ongoing and three new loans to acquire instruments.

Process for Self-Assessment of Artistic Quality

There is an approved process for self-assessment of artistic quality. These outcomes inform 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;
- The Concertmaster's assessment;
- 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;
- Assessment by the Chief Executive Officer, Director of Artistic Planning, and senior executives;
- Peer review panel comprised of expert academics, critics and classical music industry professionals;
- Assessment by the Chief Conductor Designate;
- Assessment by visiting conductors and soloists;
- Assessment by professional sound recording engineers;
- Review through national and international press coverage; and
- Audience feedback, through surveys and other communication channels.

Sydney Opera House Trust Renewal Project

The Sydney Opera House (SOH) Concert Hall closed in December 2019 as part of the SOH's Decade of Renewal program of renovations and capital works leading up to the SOH's 50th Anniversary in 2023. The closure was planned to be for a period of two years with the Sydney Symphony Orchestra returning to performances in the Concert Hall in February 2022. As a result of the COVID-19 Delta Variant outbreak in mid-2021, the program of works was delayed such that the Orchestra is now due to recommence performance in July 2022.

While the Group welcomes the Renewal works in the Concert Hall, they have resulted in significant financial, operational and audience challenges for the Group during the closure period.

In October 2018 the NSW Government gave the Group assurance that it would provide financial support during the Renewal project subject to the establishment of a Work Group whose purpose was to identify options to address the financial implications of the SOH Renewal program.

In June 2019, the NSW Government confirmed a funding commitment of \$10 million over two years to support the Group during 2019/2020 and 2020/2021 against a shortfall of \$18.9m, with the Group to fund the balance, which it has done. The Group received the 2019/2020 instalment of \$5m in July 2020, however in June 2021 the 2020/2021 instalment of \$5m was withdrawn, with the NSW Government noting the Group's surplus operating result for the year ended 31 December 2020.

During 2019 and 2020, Create NSW and the Australia Council (Partner Funding Bodies) also undertook a two-part Sydney Symphony Orchestra Sustainability Review. The first phase of the Review considered the Group's governance and delivered recommendations that were fully implemented during 2020. The second phase of the Review was an independent assessment of the Group's business model that was delivered to Create NSW and the Australia Council in March 2021.

As part of these Reviews, the Group agreed to reduce its historical occupancy of the Sydney Opera House Concert Hall. Beginning in 2022, the Group will deliver its full concert season while reducing its annual venue occupancy from 35 weeks to 32 weeks each year.

Directors' Assessment of Going Concern

The Group'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 SOH 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 flows for the Group for the period 2022-2023.

The combination of these considerations indicates that the Group can reasonably expect to be able to meet its obligations as and when they fall due for at least the period through 2023. On this basis the Directors have a reasonable basis to consider the Group to be a going concern. Further, the Directors have a reasonable basis to consider the Group will be able to enter into commitments with third parties in preparation for presentation of the 2023 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 parent entity, Sydney Symphony Limited, 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 2021, the level of reserves were \$12.6m (2020: \$15.0m) being 41% of the Group's annual costs (2020: 54%) although it is noted that annual costs for the year ended 31 December 2021 and 31 December 2020 were significantly reduced compared to year ended 31 December 2019 (27% and 34% respectively).

Review and Results of Operations

The Group recorded an operating deficit for the year ended 31 December 2021 of \$2,386,019 (2020: surplus of \$7,832,653). As COVID-19 emerged in early 2020, the Group negotiated Variations to the Enterprise Agreements with its employees that agreed salary austerity measures sufficient to allow the Group to return a break-even result (excluding bequests and certain multi-year donations) over the period 1 January 2020 to 31 December 2021. The Variations provided that initial salary reductions would be subject to wind-back where the Group's financial circumstance allowed. Hence, the results over the two years 2020 and 2021 need to be considered in aggregate and as such, the operating surplus for 2020 offsets the operating deficit for 2021 (excluding bequests and designated donations). Bequests and designated donations in 2021 were \$1.5m (2020: \$3.9m)

As in 2020, COVID-19 prevented the Group from presenting a substantial number of planned public performances in 2021. In addition, those performances that were presented were in the Sydney Town Hall (with a smaller capacity than the SOH) and subject to COVID-19 physical distancing restrictions. As a result, ticket sales revenue remained significantly reduced compared to pre-2020 levels at just \$2.4m (2020: \$1.6m, 2019: \$19.5m).

While targeted COVID-19 support from the Australian and NSW Governments remained stable at \$4.5m (2020: \$4.8m), overall funding revenue fell by \$5m primarily due to the withdrawal of the second instalment of NSW Government funding in respect of the SOH Trust Renewal Project support of \$5m for 2021. In addition, sponsorship and donations fell by \$3.1m to \$5.4m due to unusually high bequest and ticket donations received in 2020.

Employee expenses have increased by \$2.1m to \$23.7m reflecting the obligations under the Enterprise Agreement Variations as outlined above. Other expenses have increased by \$0.5m to \$2.0m, returning to pre COVID-19 levels (2019: \$1.9m).

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.

Dividends

The Group does not pay dividends.

Events subsequent to balance sheet date

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

Environmental regulations and performance

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

Directors' Meetings

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

<i>Meeting Type</i>	Board		Audit & Risk		Nomination & Remuneration		People & Culture	
	A	B	A	B	A	B	A	B
Number of Meetings Attended (A)								
Number of Meetings Eligible (B)								
Terrey Arcus AM – Note 1	4	4	-	-	2	2	-	-
Geoff Wilson – Note 1	12	12	3	3	2	2	1	1
Emma Dunch – Note 1	9	11	-	-	-	-	-	-
Geoff Ainsworth AM	11	12	5	5	-	-	4	4
Andrew Baxter	10	12	5	5	-	-	4	4
Kees Boersma	12	12	-	-	-	-	4	4
Catherine Hewgill	12	12	-	-	-	-	4	4
The Hon Justice A J Meagher	12	12	5	5	4	4	-	-
Samantha Meers AO	12	12	-	-	-	-	-	-
Karen Moses	12	12	5	5	4	4	-	-
Dr John Vallance	11	11	-	-	3	3	-	-

Note 1 - The Chairman of the Board, the Chief Executive Officer, the Director of Finance and the Director of People & Culture attend meetings of the Audit & Risk and People & Culture Committees by invitation. The Chief Executive Officer attends meetings of the Nomination & Remuneration Committee by invitation. All other Directors who are not committee members, as well as the external auditors, may attend the meetings of any of the Committees at their discretion.

Directors' Remuneration

Directors are not paid any fees for their services as Directors of the Group. Details of Directors' remuneration for their services as employees of the Group 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 2021. Sydney Symphony Orchestra Holdings Pty Limited paid the premium of \$32,650 (2020: \$36,125) 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.

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:



Geoff Wilson
Chairman

Sydney
21 April 2022

Corporate Governance Statement

This statement outlines the Group's corporate governance practices and are based on the recommendations published by the ASX Corporate Governance Council. These principles address the Five Key Principles of the Essential Governance Practices for Arts Organisations (January 2021) published and monitored by the Australia Council for the Arts. As at 31 December 2021, 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), a Nomination and Remuneration Committee and a People and Culture 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 and reviews the performance of the Chief Conductor, Managing Director and senior management.

The People and Culture Committee reviews and approves the Group's operational and strategic employment policies and organisational practices. The People and Culture Committee also 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 around dealing with misconduct.

Principle 4: Ensure Diversity

The Group aims to be an organisation that fosters a culture that embraces diversity. "Diversity" includes, but is not limited to, gender, age, ethnicity, disability, sexual identification 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 underway including 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 update the 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

A handwritten signature in black ink, appearing to read 'Geoff Wilson', written in a cursive style.

Geoff Wilson
Chairman

Sydney
21 April 2022



Auditor's Independence Declaration

As lead auditor for the audit of Sydney Symphony Limited for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sydney Symphony Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Alexandra Richardson', is written over a light blue horizontal line.

Alexandra Richardson
Partner
PricewaterhouseCoopers

Sydney
21 April 2022

Sydney Symphony Limited

ABN 50 121 561 528

Income Statement for the year ended 31 December 2021

		2021	2020
	Notes	Consolidated	Consolidated
		\$	\$
Revenue			
Ticket sales	4	2,390,599	1,574,862
Funding revenue	5	19,976,962	25,033,059
Sponsorship and donations	6	5,374,260	8,485,729
Other income	7	432,543	699,110
Total revenue		28,174,364	35,792,760
Expenses			
Employee expenses	8	23,765,149	21,617,048
Artist fees and expenses		650,791	660,934
Marketing expenses		1,347,705	1,579,279
Production expenses		1,882,824	1,828,658
Depreciation and amortisation	8	872,283	754,844
Finance costs	8	22,505	31,864
Other expenses		2,019,126	1,487,480
Total expenses		30,560,383	27,960,107
Net (loss)/profit for the year		(2,386,019)	7,832,653
Income tax expense	9	-	-
(Loss)/profit after income tax		(2,386,019)	7,832,653

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

Sydney Symphony Limited

ABN 50 121 561 528

Statement of Comprehensive Income for the year ended 31 December 2021

		2021	2020
	Notes	Consolidated	Consolidated
		\$	\$
(Loss)/profit after income tax		(2,386,019)	7,832,653
Other comprehensive income			
Net (loss)/gain on revaluation of financial assets	26	(43,999)	94,313
Total comprehensive income		(2,430,018)	7,926,966

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

Sydney Symphony Limited
ABN 50 121 561 528

Statement of Financial Position as at 31 December 2021

		2021	2020
	Notes	Consolidated	Consolidated
		\$	\$
Current Assets			
Cash and cash equivalents		7,997,623	5,548,612
Term deposits		14,640,697	15,787,824
Other financial assets	10	45,886	54,047
Trade and other receivables	11	742,471	782,420
Prepayments		340,933	294,093
Total Current Assets		23,767,610	22,466,996
Non-Current Assets			
Property, plant and equipment	12	1,925,823	1,924,018
Intangible assets	13	220,414	397,862
Right-of-use assets	14	1,000,462	619,453
Other financial assets	10	2,227,452	3,521,456
Term deposits		-	-
Total Non-Current Assets		5,374,151	6,462,789
Total Assets		29,141,761	28,929,785
Current Liabilities			
Trade and other payables	15	3,246,965	1,798,717
Prepaid revenue	16	7,232,314	6,772,618
Provisions	17	4,470,320	3,852,154
Lease liabilities	14	497,027	551,293
Total Current Liabilities		15,446,626	12,974,782
Non-Current Liabilities			
Provisions	17	606,748	834,532
Lease liabilities	14	509,685	111,751
Total Non-Current Liabilities		1,116,433	946,283
Total Liabilities		16,563,059	13,921,065
Net Assets		12,578,702	15,008,720
Equity			
Symphony Reserve	18	9,516,405	8,065,772
International Touring Reserve	19	-	-
Instrument Reserve	20	157,437	156,077
Commissioning Reserve	21	89,181	89,592
Matthew Krel Fund	22	580,000	580,000
Asset Revaluation Reserve	26	50,314	94,313
Retained Earnings		2,185,365	6,022,966
Total Equity		12,578,702	15,008,720

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

Sydney Symphony Limited

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Statement of Changes in Equity for the year ended 31 December 2021

Consolidated		Retained Earnings	Symphony Reserve	International Touring Reserve	Instrument Reserve	Commissioning Reserve	Matthew Krel Fund	Asset Revaluation Reserve	Total Equity
	Notes	(Note 18)	(Note 19)	(Note 20)	(Note 21)	(Note 22)	(Note 26)		
		\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2021		6,022,966	8,065,772	-	156,077	89,592	580,000	94,313	15,008,720
Net loss for the year		(2,386,019)	-	-	-	-	-	-	(2,386,019)
Other comprehensive loss		-	-	-	-	-	-	(43,999)	(43,999)
Transfer from/(to) Symphony Reserve	18	(1,568,843)	1,568,843	-	-	-	-	-	-
Transfer from/(to) Symphony Reserve	18	118,210	(118,210)	-	-	-	-	-	-
Transfer from/(to) International Touring Reserve	19	-	-	-	-	-	-	-	-
Transfer from/(to) Instrument Reserve	20	(1,360)	-	-	1,360	-	-	-	-
Transfer from/(to) Commissioning Reserve	21	(146,374)	-	-	-	146,374	-	-	-
Transfer from/(to) Commissioning Reserve	21	146,785	-	-	-	(146,785)	-	-	-
Transfer from/(to) Matthew Krel Fund	22	(3,795)	-	-	-	-	3,795	-	-
Transfer from/(to) Matthew Krel Fund	22	3,795	-	-	-	-	(3,795)	-	-
As at 31 December 2021		2,185,365	9,516,405	-	157,437	89,181	580,000	50,314	12,578,702

Consolidated		Retained Earnings	Symphony Reserve	International Touring Reserve	Instrument Reserve	Commissioning Reserve	Matthew Krel Fund	Asset Revaluation Reserve	Total Equity
	Notes	(Note 18)	(Note 19)	(Note 20)	(Note 21)	(Note 22)	(Note 26)		
		\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2020		2,560,576	3,787,381	-	153,797	-	580,000	-	7,081,754
Net profit for the year		7,832,653	-	-	-	-	-	-	7,832,653
Other comprehensive profit		-	-	-	-	-	-	94,313	94,313
Transfer from/(to) Symphony Reserve	18	(4,402,637)	4,402,637	-	-	-	-	-	-
Transfer from/(to) Symphony Reserve	18	124,246	(124,246)	-	-	-	-	-	-
Transfer from/(to) International Touring Reserve	19	-	-	-	-	-	-	-	-
Transfer from/(to) Instrument Reserve	20	(2,280)	-	-	2,280	-	-	-	-
Transfer from/(to) Commissioning Reserve	21	(191,376)	-	-	-	191,376	-	-	-
Transfer from/(to) Commissioning Reserve	21	101,784	-	-	-	(101,784)	-	-	-
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 2020		6,022,966	8,065,772	-	156,077	89,592	580,000	94,313	15,008,720

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

Sydney Symphony Limited

ABN 50 121 561 528

Statement of Cash Flows for the year ended 31 December 2021

	2021	2020
	Consolidated	Consolidated
	\$	\$
Cash flows from operating activities		
Cash receipts from box office and sponsors	3,431,825	3,101,624
Cash receipts from general donations	4,765,791	8,099,960
Cash payments to suppliers and employees	(28,246,130)	(27,784,575)
Grants received from government funding bodies	22,191,460	26,504,040
Interest on leases	(22,505)	(31,864)
Net payment of Goods and Services Tax	(1,566,553)	(1,459,582)
	553,888	8,429,603
Cash flows used in financing activities		
Interest received	241,937	384,548
Receipt from lease receivables	-	155,245
Payment of lease liabilities	(596,903)	(705,446)
Employee instrument loans granted	(91,840)	(16,000)
Proceeds from repayments on employee instrument loans	81,347	115,306
	(365,459)	(66,347)
Cash flows from/(used in) investing activities		
Payments for property, plant and equipment	(164,638)	(114,924)
Proceeds from the sale of fixed assets	20,909	-
Payments for intangible assets	-	(415,153)
Redemption of financial assets	16,465,008	8,020,114
Investment in financial assets	(14,060,697)	(15,207,824)
	2,260,582	(7,717,787)
Net cash flows from/(used in) investing activities	2,260,582	(7,717,787)
Net increase in cash held	2,449,011	645,469
Cash and cash equivalents at beginning of financial year	5,548,612	4,903,143
	7,997,623	5,548,612
Cash and cash equivalents at end of year	7,997,623	5,548,612

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 2021 was authorised for issue in accordance with a resolution of the Directors on 21 April 2022.

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 2021.

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

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 \$2,430,018 (2020: profit of \$7,926,966), and at year end had a surplus of net assets of \$12,578,702 (2020: \$15,008,720) and net current assets of \$8,320,984 (2020: \$9,492,214). The Group generated net cash inflows in operating activities of \$553,888 (2020: \$8,429,603). 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 2021-2024 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.

As well, the Group considered the likely ongoing impact of COVID-19 on its business activity through 2022 and 2023. This included projections in respect of anticipated demand for concert tickets, availability of overseas artists and the ongoing impact of measures to ensure the health and wellbeing of employees and audiences and the potential for increased employee absenteeism due to COVID-19 related illness.

c) Revenue recognition

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

In response to the impact of the COVID-19 pandemic, the Group recognised the following support:

- (a) JobKeeper subsidies in respect of eligible employees - recognised in the calendar year in which the employee costs are recognised.
- (b) JobSaver subsidies in respect of payroll expenditure – recognised in the calendar year in which the PAYG was paid was.
- (c) Create NSW support packages – recognised in the calendar year the associated relevant activity took place.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Correction of error in the fixed asset balances

During the year the Group identified fully depreciated assets still in use, with a cost and equal accumulated depreciation amounting to \$741,172, which had been written off from the movement schedule. The error has been corrected by restating the cost and accumulated depreciation for the prior year as follows:

	31 December 2020	Adjustment	31 December 2020 (restated)
	\$	\$	\$
Property, Plant & Equipment			
Cost	2,693,545	741,172	3,434,717
Accumulated depreciation	(769,527)	(741,172)	(1,510,699)

i) Intangible assets

Costs incurred in configuring or customising software in a cloud computing arrangement can only be recognised as intangible assets if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier of the cloud-based software to significantly customise the cloud-based software for the Group, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the cloud computing arrangement.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Right-of-use Assets

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 Income Statement 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.

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 (ROU) asset and a lease liability is recognised. ROU 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-consecutive 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The lease liability 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.

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 Income Statement on a straight-line basis over the lease term.

The unwind of the financial charge on the lease liabilities is recognised in the Income Statement 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 settled 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Long service benefits

The provision for long service leave benefits represents 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.

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

Software-as-a-Service (SaaS) arrangements

The Group previously capitalised costs incurred in configuring or customising Software-as-a-Service (SaaS) arrangements as intangible assets as the Group considered that it would benefit from these implementation costs over the contract term of the SaaS arrangements. Following the IFRS Interpretations Committee (IFRIC) agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement which was published in April 2021, the Group has reconsidered its accounting treatment and adopted the treatment set out in this IFRIC agenda decision. The revised accounting policy is outlined at section i) above.

The change in policy has been applied retrospectively, however as the impact on prior years was not material the amount relating to prior years has been adjusted in the current period. The impact on the Group's financial statements has been a reduction of \$134,851 to cost of intangible assets and a reduction of \$102,368 to accumulated depreciation, resulting in a net cost of \$32,483 included in other expenses in the Income Statement for the year ended 31 December 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

s) Standards issued but not yet effective

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Group has assessed the upcoming standards, interpretations or amendments which includes the following:

- *AASB1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- *AASB 2020-3 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*

The Group concluded that there is no material impact expected from the adoption of these new standards, interpretations, or amendments.

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 2021.

Make good provision

A provision has been made for the anticipated costs associated with the future restoration of the leased office premises, in accordance with the amount specified in the Lease Agreement. 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

	2021	2020
	Consolidated	Consolidated
	\$	\$
Subscriptions	1,974,783	721,055
Single night	415,816	853,807
Total ticket sales	2,390,599	1,574,862

5. FUNDING REVENUE

	2021	2020
	Consolidated	Consolidated
	\$	\$
Australia Council for the Arts	12,052,977	11,863,166
Create NSW	3,405,879	3,352,243
Create NSW - Sydney Opera House Trust Renewal	-	5,000,000
Federal Government COVID-19 support	1,015,900	4,802,650
NSW Government COVID-19 support	1,553,571	-
Create NSW COVID-19 support	1,948,635	-
City of Sydney	-	15,000
	<hr/>	<hr/>
Total funding revenue	19,976,962	25,033,059

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 2021 to 2024. The funding received by the parent entity during the financial year was transferred to the Group to fund its operations and activities in accordance with the Funding Agreement with the Australia Council for the Arts and Create NSW.

In the year ended 31 December 2021 and in response to the impact of the COVID-19 pandemic the Group received:

- (a) \$1,015,900 (2020: \$4,702,650) in JobKeeper subsidies in respect of eligible employees and \$nil (2020: \$100,000) under the cash flow boost administered through the Australian Taxation Office.
- (b) \$1,553,571 in JobSaver subsidies in respect of eligible employees administered through Service NSW.
- (c) \$1,198,635 under the Create NSW Performing Arts COVID Support Package and \$750,000 under the Create NSW COVID-19 Rescue and Restart Package.

6. SPONSORSHIP AND DONATIONS

	2021	2020
	Consolidated	Consolidated
	\$	\$
Sponsorship	689,469	401,305
General donations	3,221,948	4,722,323
Bequests	1,188,843	3,012,637
Trusts & Foundation donations	274,000	349,464
	<hr/>	<hr/>
Total sponsorship and donations	5,374,260	8,485,729

7. OTHER INCOME

	2021	2020
	Consolidated	Consolidated
	\$	\$
Orchestral hire income	194,305	296,845
Interest income	215,617	311,996
Other income	22,621	90,269
	432,543	699,110
Total other income	432,543	699,110

8. EXPENSES

	2021	2020
	Consolidated	Consolidated
	\$	\$
Employee expenses:		
Salaries and wages	21,297,424	19,306,665
Superannuation	2,306,430	2,243,630
Other employee expenses	161,295	66,753
	23,765,149	21,617,048
Total employee expenses	23,765,149	21,617,048
Depreciation and amortisation:		
Depreciation of property, plant and equipment	162,833	156,461
Depreciation of right-of-use assets	564,485	527,848
Amortisation of intangible assets	144,965	70,535
	872,283	754,844
Total depreciation and amortisation	872,283	754,844
Finance costs:		
Interest on Lease Liability	22,505	31,864
	22,505	31,864

9. INCOME TAX

Sydney Symphony 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

	2021	2020
	Consolidated	Consolidated
	\$	\$
Current assets		
Employee instrument loans	45,886	54,047
	45,886	54,047
Non-current assets		
Investment securities	2,087,680	3,400,340
Employee instrument loans	139,772	121,116
	2,227,452	3,521,456
Total non-current other financial assets	2,227,452	3,521,456

Sydney Symphony Limited
ABN 50 121 561 528
Notes to the Financial Statements

11. TRADE AND OTHER RECEIVABLES

	2021	2020
	Consolidated	Consolidated
	\$	\$
Trade debtors	247,047	20,494
Other receivables	414,101	654,282
Accrued income	81,323	107,644
	742,471	782,420
Total trade and other receivables	742,471	782,420

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 2021						
At 1 January 2021, net of accumulated depreciation	186,222	51,013	1,438,087	203,821	44,875	1,924,018
Additions	95,480	16,963	-	-	52,195	164,638
Depreciation charge for the year	(76,198)	(18,475)	-	(30,972)	(37,188)	(162,833)
As at 31 December 2021, net of accumulated depreciation and impairment	205,504	49,501	1,438,087	172,849	59,882	1,925,823
At 31 December 2021						
Cost or fair value	444,080	197,266	1,438,087	1,290,191	229,731	3,599,355
Less write down – Note 12.1	(652)	-	-	(9,091)	(18,085)	(27,828)
Cost or Fair Value	443,428	197,266	1,438,087	1,281,100	211,646	3,571,527
Accumulated depreciation-Note 12.1	(238,576)	(147,765)	-	(1,117,342)	(169,849)	(1,673,532)
Less write down – Note 12.1	652	-	-	9,091	18,085	27,828
	(237,924)	(147,765)	-	(1,108,251)	(151,764)	(1,645,704)
Net carrying amount	205,504	49,501	1,438,087	172,849	59,882	1,925,823
	\$	\$	\$	\$	\$	\$
At 31 December 2020						
Cost or fair value (restated)	348,600	180,303	1,438,087	1,290,191	177,536	3,434,717
Accumulated depreciation (restated)	(162,378)	(129,290)	-	(1,086,370)	(132,661)	(1,510,699)
Net carrying amount	186,222	51,013	1,438,087	203,821	44,875	1,924,018

Note 12.1 - During the year, \$27,828 fully depreciated assets were written off against the related accumulated depreciation as disclosed against the asset class. (2020: \$nil).

13. INTANGIBLE ASSETS - SOFTWARE

	2021	2020
	Consolidated	Consolidated
	\$	\$
At 1 January, net of accumulated amortisation	397,862	53,244
Additions	-	415,153
Change in accounting policy	(32,483)	-
Amortisation charge for the year	(144,965)	(70,535)
As at 31 December, net of accumulated amortisation and impairment	220,414	397,862
At 31 December		
Cost or fair value - Note 13.1	375,606	510,457
Accumulated Amortisation - Note 13.1	(155,192)	(112,595)
Cost or fair value carried forward	220,414	397,862

Note 13.1 –

During the year the Group reconsidered its accounting treatment in respect of SaaS - see Note 1, section p). As a result there has been a reduction of \$134,851 to cost of intangible assets and a reduction of \$102,368 to accumulated depreciation, resulting in a net cost of \$32,483 included in other expenses in the Income Statement for the year ended 31 December 2021.

During the year, \$nil of fully amortised assets were written off against the related accumulated amortisation as disclosed against the asset class. (2020: \$195,261).

14. LEASES

The right-of-use asset, lease liabilities and lease receivable outlined below are all in respect of the spaces leased at

- (a) Clocktower, 55 Harrington Street, The Rocks (administrative offices) for the full period and
- (b) 6 Lanceley Place, Artarmon (storage facility) until 9 December 2021.

During the period the Clocktower lease was modified to extend the lease expiry date from 1 December 2020 to 31 December 2023 and to adjust the per annum lease charge from \$592,466 to \$515,580.

a) Right-of-use asset

	2021	2020
	Consolidated	Consolidated
	\$	\$
Year ended 31 December		
At 1 January, net of accumulated depreciation	619,453	1,147,301
Lease modification	945,494	-
Depreciation charge for the year	(564,485)	(527,848)
As at 31 December, net of accumulated depreciation and impairment	1,000,462	619,453
At 31 December		
Cost at fair value	1,250,578	1,564,168
Accumulated depreciation	(250,116)	(944,715)
Net carrying amount	1,000,462	619,453

14. LEASES (continued)

b) Lease liabilities

	2021	2020
	Consolidated	Consolidated
	\$	\$
Current: Lease liabilities	497,027	551,293
Non-current: Lease liabilities	509,685	111,751
	1,006,712	663,044

	2021	2020
	Consolidated	Consolidated
	\$	\$
At 1 January	663,044	1,336,626
Lease modification	918,066	-
Interest expense	22,505	31,864
Lease payments	(596,903)	(705,446)
As at 31 December	1,006,712	663,044

c) Lease receivable

	2021	2020
	Consolidated	Consolidated
	\$	\$
Current: Lease receivable	-	-
	-	-

	2021	2020
	Consolidated	Consolidated
	\$	\$
At 1 January	-	153,137
Additions	-	-
Interest receivable	-	2,108
Lease receipts	-	(155,245)
As at 31 December	-	-

15. TRADE AND OTHER PAYABLES

	2021	2020
	Consolidated	Consolidated
	\$	\$
Accruals	2,575,541	1,023,156
Trade creditors	652,909	669,286
Other payables	18,515	106,275
	3,246,965	1,798,717

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

	2021	2020
	Consolidated	Consolidated
	\$	\$
Prepaid ticket sales	6,554,976	6,142,867
Prepaid other	677,338	629,751
	7,232,314	6,772,618
Total prepaid revenue	7,232,314	6,772,618

17. PROVISIONS

	2021	2020
	Consolidated	Consolidated
	\$	\$
Current provisions:		
Employee benefits	4,470,320	3,852,154
Make good provision	-	-
	4,470,320	3,852,154
Total current provisions	4,470,320	3,852,154
Non-current provisions		
Employee benefits	477,853	653,813
Make good provision	128,895	180,719
	606,748	834,532
Total non-current provisions	606,748	834,532

18. SYMPHONY RESERVE

	2021	2020
	\$	\$
Accumulated reserves at 1 January	8,065,772	3,787,381
Transfer from retained earnings in relation to:		
Current year bequests	1,188,843	3,012,637
Future Fund donations	380,000	1,390,000
Transfer to retained earnings in relation to:		
Disbursement of bequests	(118,210)	(124,246)
	9,516,405	8,065,772
	9,516,405	8,065,772

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

	2021	2020
	\$	\$
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 2020, the Reserve held no accumulated funds and no funds were raised in either 2020 or in 2021 for International Touring. The Orchestra did not tour internationally in 2020 or 2021.

20. INSTRUMENT RESERVE

	2021	2020
	\$	\$
Accumulated reserves at 1 January	156,077	153,797
Transfer from retained earnings for interest earned	1,360	2,280
	157,437	156,077
Accumulated reserves at 31 December	157,437	156,077

The assets purchased using the Instrument Reserve are included in *Property Plant and Equipment - Musical Instruments*. There were no purchases in 2021 (2020: Nil).

21. COMMISSIONING RESERVE

	2021	2020
	\$	\$
Accumulated reserves at 1 January	89,592	-
Transfer from retained earnings in relation to: 50 Fanfare donations	146,374	191,376
Transfer to retained earnings in relation to: 50 Fanfare expenses	(146,785)	(101,784)
	89,181	89,592
Accumulated reserves at 31 December	89,181	89,592

The Commissioning Reserve was created in 2020 with the launch of the multi-year 50 Fanfares project to commission 50 new works for Orchestra over a three-year period, 2020-2023. This landmark initiative will see funds raised in support of the commissioning, development, performance and capturing of each new work. Transfers to retained earnings are made on disbursement of project expenditure.

22. MATTHEW KREL FUND

	2021	2020
	\$	\$
Accumulated balance at 1 January	580,000	580,000
Interest earned	3,795	16,820
Transfer to retained earnings in relation to: Matthew Krel Fund	(3,795)	(16,820)
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

	2021	2020
	Consolidated	Consolidated
	\$	\$
Total Compensation	1,441,697	810,659

Payments were made to three (2020: three) 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. The CEO employment contract was terminated on 10 December 2021 with payment in lieu of services. 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 during the period, was a Director of Symphony Services Australia Limited ('SSA') for the period from 1 January to 10 December 2021. During the year, SSA provided orchestral services to the Group totalling \$430,691 (2020: \$519,164) including provision of artist services, artist liaison support and music library services. As well, during the year SSA paid the Group a licence fee for use of serviced premises amounting to \$nil (2020: \$158,687).

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): the Group has no significant non-cancellable operating lease commitments as at 31 December 2021 (2020: nil).
- b) Artist fees contracted for but not provided for and not payable: the Group has entered into contracts for performances scheduled to take place during 2022-2024 (2020: 2021-2024). These amounts include the expenditure required to satisfy the contracts with the artists.

	2021	2020
	Consolidated	Consolidated
	\$	\$
Not later than one year	637,500	732,000
Later than one year and not later than five years	1,048,000	1,548,000
	1,685,500	2,280,000

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. (2020: \$302,000).
- ii. credit collateral on advertising contracts for \$200,000 (2020: \$200,000).

No liability is expected to arise from these guarantees.

d) Contingent liabilities

As part of the operations of the business, the Group has been subject to various legal actions and claims. The Directors are of the view that the claims will not result in a significant loss to the Group and as such no provision is required at the balance sheet date. Any contingent liability associated with these potential claims are not recognised as a reliable estimate of a contingent liability cannot be made.

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.

26. FINANCIAL INSTRUMENTS (continued)

d) Sensitivity analysis

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

e) Derivative financial instruments

(i) Forward currency contracts – cash flow hedges

The Group purchases the services of artists under contracts denominated in foreign currencies. To protect against exchange rate movements and to provide certainty against future cash flows, The Group enters into forward currency contracts to purchase foreign currencies when appropriate. 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. The fair value of forward currency contracts are calculated using quoted prices in active markets. As at the reporting date there are no forward currency contracts (2020: none).

(ii) Investment securities

The Group purchases investment securities in accordance with its Investment Policy. The fair value of investment securities 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 investment securities at the balance date is \$2,140,283 (2020: \$3,457,043) inclusive of accrued interest receivable. During the period, a loss of \$43,999 was taken to other comprehensive income (2020: gain of \$94,313).

Valuation Technique Market Observable Inputs (Level 2)	2021	2020
	\$	\$
Assets/Liabilities		
Investment securities (note 10)	2,087,680	3,400,340
Forward currency contracts – cash flow hedges	-	-
	<u>2,087,680</u>	<u>3,400,340</u>

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

	2021	2020
	\$	\$
Current assets	-	-
Non-current assets	8,578,559	8,578,559
Total assets	8,578,559	8,578,559
Current liabilities		
Total liabilities	330	330
Net assets	8,578,229	8,578,229
Equity		
Retained earnings	8,578,229	8,578,229
Total equity	8,578,229	8,578,229
Profit of Parent Entity	-	1,496,475
Total comprehensive income of parent Group	-	1,496,475

DIRECTORS' DECLARATIONS

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

- a) the financial statements and notes of Sydney Symphony Limited for the financial year ended 31 December 2021, set out on pages 13 to 38, 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 2021 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



Geoff Wilson
Chairman

Sydney, 21 April 2022



Karen Moses
Director

Sydney, 21 April 2022



Independent auditor's report

To the members of Sydney Symphony Limited

Our opinion

In our opinion:

The accompanying financial report of Sydney Symphony Limited (the Company) and its controlled entity (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The Group financial report comprises:

- the Statement of Financial Position as at 31 December 2021
- the Income Statement for the year then ended
- the Statement of Comprehensive Income for the year then ended
- the Statement of Changes in Equity for the year then ended
- the Statement of Cash Flows for the year then ended
- the Notes to the Financial Statements, which include significant accounting policies and other explanatory information
- the Directors' Declaration.

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

Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Financial Report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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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 on the other information that we obtained prior to the date of this auditor's report, 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 management and the directors for the financial report

Management is 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 (ACNC) 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, Management is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.


The directors are responsible for overseeing the Company's financial reporting process.

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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.


PricewaterhouseCoopers


Alexandra Richardson
Partner

Sydney
21 April 2022