



Sydney Symphony Limited

ABN 50 121 561 528

ANNUAL FINANCIAL REPORT

31 December 2022

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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 Pty Limited (the Group) for the year ended 31 December 2022.

Directors

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

- Geoff Wilson (Chairman)
- Geoff Ainsworth AM
- William Barton (appointed 27 March 2023)
- Andrew Baxter
- Kees Boersma
- Susan Ferrier (appointed 7 February 2022)
- Catherine Hewgill
- The Hon Justice A J Meagher
- Samantha Meers AO
- Karen Moses (resigned 26 May 2022)
- Roslyn Packer AC (appointed 17 September 2022)
- Craig Whitehead (appointed 8 December 2022)

Qualifications and experience of Directors

Director	Experience and Qualifications
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
Geoff Ainsworth AM	BA (Hons) UNSW, MA Macq, Dip. Fin. Mgt. UNE Acquisitions and Loans Committee, AGNSW Director, Oranges & Sardines Foundation
William Barton	Hon D Mus Sydney Conservatorium of Music Hon D Mus Queensland Conservatorium of Music Director, DIDGE PTY LTD Associate Professor, Australian National University Creative Consultant, Australia Day Live at the Opera House
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 Non-Executive Director, The Queen's Fund 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 University of Sydney Senate People and Culture Committee – External Member
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
Roslyn Packer AC	Director, Redman Holdings Pty Limited Director, Ellerston Onassis Polo Pty Limited Director, Opera Australia Capital Fund Foundation Director, National Gallery of Australia Foundation Member of the Board of Trustees of St. Vincent’s Clinic Foundation Patron of Friends of St. Vincent’s Private Hospital
Craig Whitehead	BA, Grad Dip Bus (QUT), MBA (University of SA) Director, Symphony Services Australia Limited

Principal Activity

Celebrating its 90th birthday in 2022, 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. The Group continues to rehearse and perform in this purpose-built venue for thirty-two weeks a year and devotes a large proportion of the remaining weeks each year to performing across Western Sydney and regional NSW.

The principal activity of the Group is the performance of symphonic music. From 1 January to 31 December 2022, the Group presented 171 performances. These performances included a gala performance to celebrate the reopening of the Sydney Opera House Concert Hall, the annual free outdoor performance, Symphony Under the Stars at Parramatta Park, multiple performances across Regional NSW, and subscription concerts at Sydney Opera House, Sydney Town Hall, and City Recital Hall.

Strategic Plan

During 2022, the Group's Board of Directors, incoming CEO Craig Whitehead and the Group's Executive team have collaborated on a refreshed management strategy which articulates the opportunities for strengthening the growth of the Group and its engagement with communities across NSW as well as projecting its work to wider audiences in Australia and across the globe.

Strategic planning sessions were undertaken in March and November 2022, in which the Directors worked to confirm and reinforce the Group's vision, mission and strategic priority areas. Emerging areas of focus included a strong appetite for deepened community impact, education and outreach programs, particularly in Regional NSW, strengthened engagement with First Nations artists and communities, and a continued aspiration to deliver inspiring experiences and to improve lives through music.

The Board consulted broadly, including inviting Chief Conductor Simone Young AM to share her artistic vision for the orchestra over the coming years. An interim strategic plan was submitted to government in June 2022, confirming the priorities of the organisation.

Key performance indicators associated with the strategic plan were developed and submitted to, and approved by, government funding partners in October 2022.

Artistic Leadership

Simone Young AM commenced her tenure as Chief Conductor in 2022, with her first official performances leading the orchestra to reopen the newly refurbished Sydney Opera House Concert Hall in July. The reopening gala series was a resounding success, with Simone leading the orchestra to debut a new work by celebrated First Nations composer, William Barton. *Of The Earth* was debuted in partnership with Sydney Philharmonia Choirs and Gondwana Voices.

The World Premiere of this important new composition was followed up by a powerful performance of Mahler's Second Symphony, 'Resurrection' - a fitting piece with which to welcome the Sydney Symphony back to its spiritual home.

Directors' Assessment of Going Concern

The Group's Directors undertook a thorough assessment of going concern in preparing these financial statements. The review considered the operating budgets, projected balance sheet position and detailed cash flows for the Group for the period 2023-2024.

The Sydney Symphony Orchestra experienced significant business disruption for the period that it was absent from the Sydney Opera House Concert Hall (Jan 2020 – Jun 2022). In addition, normal business operations were drastically reduced during the height of the COVID-19 global pandemic. While the immediate impact of each of these factors has ostensibly passed, the 'long-tail' of both continues to affect the business model, and thus the financial outcomes, of the Group. In particular, the residual impact on audience numbers and elevated operating costs (particularly in respect of international travel and COVID-safe workplace measures) are impacting the Group's ability to return to surplus operating results.

While taking these operating conditions into account, the Group can reasonably expect to be able to meet its obligations as and when they fall due for at least the period through 2024. On this basis the Directors have a reasonable basis to assess the Group as a going concern. Further, the Directors have a reasonable basis to consider that the Group will be able to enter into commitments with third parties in preparation for mounting the 2024 season.

Reserves Policy

The Group maintains 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 for the Arts 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 2022, the level of reserves was \$9.6m (2021: \$12.6m). This decline in reserves reflects the operating result for the year together with the loss on revaluation of non-current investments.

Review and Results of Operations

The Group recorded an operating deficit for the year ended 31 December 2022 of \$2.86m (2021: deficit of \$2.38m).

Ticket sales revenue remained impacted by COVID-19, at \$10.8m, despite improvement as compared to 2021 (2021: \$2.4m, 2020: \$1.6m, 2019: \$19.5m). Targeted COVID-19 support from the Australian and NSW Governments was received in the amount of \$1.7m, lower than previous pandemic years (2021: \$4.5m; 2020: \$4.8m – both years including JobKeeper support).

Bequests and Future Fund gifts contributed \$620,000 in 2022, however, 2021 bequests were \$919,000 higher.

Sponsorships brought in \$769,000 in 2022, while \$540,000 was received via Trusts and Foundations.

Other philanthropic income amounted to \$2.7m, on par with 2021 results.

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)								
Geoff Wilson – Note 1	6	6	-	-	4	4	-	-
Craig Whitehead – Note 1	-	-	-	-	-	-	-	-
Geoff Ainsworth AM	6	6	3	4	-	-	4	4
Andrew Baxter	5	6	4	4	2	2	2	2
Kees Boersma	6	6	-	-	-	-	4	4
Susan Ferrier	5	6	-	-	-	-	2	3
Catherine Hewgill	6	6	-	-	-	-	4	4
The Hon Justice A J Meagher	5	6	2	4	4	4	-	-
Samantha Meers AO	5	6	-	-	2	4	-	-
Karen Moses	3	3	2	2	2	2	-	-
Roslyn Packer AC	1	2	-	-	-	-	-	-

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 24.

Indemnification and insurance of Officers

Insurance and indemnity arrangements established in previous years concerning officers of the Group were renewed and continued during 2022. Sydney Symphony Orchestra Holdings Pty Limited paid the premium of \$44,700 (2020: \$32,650) 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 10.

Signed in accordance with a resolution of the Directors:



Geoff Wilson
Chairman
Sydney, 4 April 2023

Corporate Governance Statement

This statement outlines the Group's corporate governance practices 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 2022, 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, 4 April 2023



Auditor's Independence Declaration

As lead auditor for the audit of Sydney Symphony Limited for the year ended 31 December 2022, 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 entity it controlled during the period.

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

Alexandra Richardson
Partner
PricewaterhouseCoopers

Sydney
4 April 2023

Sydney Symphony Limited

ABN 50 121 561 528

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022

		2022	2021
	Notes	Consolidated	Consolidated
		\$	\$
Revenue			
Ticket sales	4	10,469,713	2,390,599
Funding revenue	5	17,657,531	19,976,962
Sponsorship and donations	6	4,685,773	5,374,260
Other income	7	738,664	432,543
Total revenue		33,551,681	28,174,364
Expenses			
Employee expenses	8	24,198,916	23,765,149
Artist fees and expenses		3,353,691	650,791
Marketing expenses		2,423,183	1,347,705
Production expenses		3,694,435	1,882,824
Depreciation and amortisation	8	769,510	872,283
Finance costs	8	18,553	22,505
Other expenses		1,960,071	2,019,126
Total expenses		36,418,359	30,560,383
Net loss for the year		(2,866,678)	(2,386,019)
Income tax expense	10	-	-
Loss after income tax		(2,866,678)	(2,386,019)
Other comprehensive income:			
Net loss on revaluation of financial assets	27	(86,982)	(43,999)
Total comprehensive income		(2,953,660)	(2,430,018)

The Statement of Profit or Loss and Other 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 2022

	Notes	2022 Consolidated \$	2021 Consolidated \$
Current Assets			
Cash and cash equivalents		8,193,207	7,997,623
Term deposits		12,674,821	14,640,697
Other financial assets	11	39,395	45,886
Trade and other receivables	12	855,832	742,471
Prepayments		1,154,042	340,933
Total Current Assets		22,917,297	23,767,610
Non-Current Assets			
Property, plant and equipment	13	1,933,731	1,925,823
Intangible assets	14	96,464	220,414
Right-of-use assets	15	500,231	1,000,462
Other financial assets	11	2,154,608	2,227,452
Total Non-Current Assets		4,685,034	5,374,151
Total Assets		27,602,331	29,141,761
Current Liabilities			
Trade and other payables	16	3,318,704	3,246,965
Prepaid revenue	17	8,660,132	7,232,314
Provisions	18	5,036,755	4,470,320
Lease liabilities	15	509,685	497,027
Total Current Liabilities		17,525,276	15,446,626
Non-Current Liabilities			
Provisions	18	452,013	606,748
Lease liabilities	15	-	509,685
Total Non-Current Liabilities		452,013	1,116,433
Total Liabilities		17,977,289	16,563,059
Net Assets		9,625,042	12,578,702
Equity			
Symphony Reserve	19	10,076,717	9,516,405
International Touring Reserve	20	-	-
Instrument Reserve	21	159,082	157,437
Commissioning Reserve	22	-	89,181
Matthew Krel Fund	23	580,000	580,000
Asset Revaluation Reserve	27	(36,668)	50,314
Retained Earnings		(1,154,089)	1,935,363
Total Equity		9,625,042	12,578,702

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 2022

Consolidated		Retained Earnings	Symphony Reserve	International Touring Reserve	Instrument Reserve	Commissioning Reserve	Matthew Krel Fund	Asset Revaluation Reserve	Total Equity
	Notes	(Note 19)	(Note 20)	(Note 21)	(Note 22)	(Note 23)	(Note 27)		
		\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2022		2,185,365	9,516,405	-	157,437	89,181	580,000	50,314	12,578,702
Net loss for the year		(2,866,678)	-	-	-	-	-	-	(2,866,678)
Other comprehensive loss		-	-	-	-	-	-	(86,982)	(86,982)
Transfer from/(to) Symphony Reserve	19	(619,717)	619,717	-	-	-	-	-	-
Transfer from/(to) Symphony Reserve	19	59,405	(59,405)	-	-	-	-	-	-
Transfer from/(to) International Touring Reserve	20	-	-	-	-	-	-	-	-
Transfer from/(to) Instrument Reserve	21	(1,645)	-	-	1,645	-	-	-	-
Transfer from/(to) Commissioning Reserve	22	-	-	-	-	-	-	-	-
Transfer from/(to) Commissioning Reserve	22	89,181	-	-	-	(89,181)	-	-	-
Transfer from/(to) Matthew Krel Fund	23	(4,817)	-	-	-	-	4,817	-	-
Transfer from/(to) Matthew Krel Fund	23	4,817	-	-	-	-	(4,817)	-	-
As at 31 December 2022		(1,154,089)	10,076,717	-	159,082	-	580,000	(36,668)	9,625,042

Consolidated		Retained Earnings	Symphony Reserve	International Touring Reserve	Instrument Reserve	Commissioning Reserve	Matthew Krel Fund	Asset Revaluation Reserve	Total Equity
	Notes	(Note 19)	(Note 20)	(Note 21)	(Note 22)	(Note 23)	(Note 27)		
		\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2021		6,022,966	8,065,772	-	156,077	89,592	580,000	94,313	15,008,720
Net profit for the year		(2,386,019)	-	-	-	-	-	-	(2,386,019)
Other comprehensive profit		-	-	-	-	-	-	(43,999)	(43,999)
Transfer from/(to) Symphony Reserve	19	(1,568,843)	1,568,843	-	-	-	-	-	-
Transfer from/(to) Symphony Reserve	19	118,210	(118,210)	-	-	-	-	-	-
Transfer from/(to) International Touring Reserve	20	-	-	-	-	-	-	-	-
Transfer from/(to) Instrument Reserve	21	(1,360)	-	-	1,360	-	-	-	-
Transfer from/(to) Commissioning Reserve	22	(146,374)	-	-	-	146,374	-	-	-
Transfer from/(to) Commissioning Reserve	22	146,785	-	-	-	(146,785)	-	-	-
Transfer from/(to) Matthew Krel Fund	23	(3,795)	-	-	-	-	3,795	-	-
Transfer from/(to) Matthew Krel Fund	23	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

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

Sydney Symphony Limited
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Statement of Cash Flows for the year ended 31 December 2022

	2022	2021
	Consolidated	Consolidated
	\$	\$
Cash flows (used in)/from operating activities		
Cash receipts from box office and sponsors	13,016,634	3,431,825
Cash receipts from general donations	3,645,276	4,765,791
Cash payments to suppliers and employees	(37,013,460)	(28,270,885)
Grants received from government funding bodies	19,758,933	22,191,460
Net payment of Goods and Services Tax	(704,599)	(1,564,303)
	(1,297,216)	553,888
Cash flows used in financing activities		
Interest received	209,347	241,937
Payment of lease liabilities	(515,580)	(596,903)
Employee instrument loans granted	(63,000)	(91,840)
Proceeds from repayments on employee instrument loans	49,393	81,347
	(319,840)	(365,459)
Cash flows from investing activities		
Payments for property, plant and equipment	(153,237)	(164,638)
Proceeds from the sale of fixed assets	-	20,909
Redemption of financial assets	14,640,697	16,465,008
Investment in financial assets	(12,674,820)	(14,060,697)
	1,812,640	2,260,582
Net cash flows from investing activities	1,812,640	2,260,582
Net increase in cash held	195,584	2,449,011
Cash and cash equivalents at beginning of financial year	7,997,623	5,548,612
	8,193,207	7,997,623
Cash and cash equivalents at end of year	8,193,207	7,997,623

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 2022 was authorised for issue in accordance with a resolution of the Directors on 4 April 2023.

Sydney Symphony Limited (the parent) is a “not-for-profit” public Group 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

These general purpose consolidated financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not-for-Profits Commissions Act 2012*, Australian Accounting Standards and Interpretations issued by 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 consolidated financial statements of the Group comply with Australian Accounting Standards – Simplified Disclosures (including Australian Interpretations) as issued by the Australian Accounting Standards Board (AASB).

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 27 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 2022.

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 \$2,953,660 (2021: \$2,430,018), and at year end had a surplus of net assets of \$9,625,042 (2021: \$12,578,702) and net current assets of \$5,392,021 (2021: \$8,320,984). The Group experienced net cash outflows in operating activities of \$1,297,216 (2021: net cash inflows \$553,888). 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 2023 and 2024. 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.

All amounts disclosed are net of goods and services tax (GST). Revenue is recognised for the major business activities as outlined in Notes 4-7.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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) 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.

h) Changes in accounting policies

The Group adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* in the current year. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the consolidated financial statements because the Group previously complied with Australian Accounting Standards – Reduced Disclosure Requirements in preparing its consolidated financial statements.

i) Current versus non-current classification

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2022.

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

	2022	2021
	Consolidated \$	Consolidated \$
Subscriptions	5,107,654	1,974,783
Single night	5,362,059	415,816
Total ticket sales	10,469,713	2,390,599

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".

5. FUNDING REVENUE

	2022	2021
	Consolidated \$	Consolidated \$
Australia Council for the Arts	12,173,505	12,052,977
Create NSW	3,639,937	3,405,879
Australia Council for the Arts – Playing Australia	119,245	-
Federal Government COVID-19 support	1,539,259	1,015,900
NSW Government COVID-19 support	-	1,553,571
Create NSW COVID-19 support	172,585	1,948,635
City of Sydney	13,000	-
Total funding revenue	17,657,531	19,976,962

Core 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) Arts Sustainability Fund support in respect of performer costs (2022: \$1,539,259, 2021: nil) - recognised in the calendar year in which the performer costs are recognised.
- (b) JobKeeper subsidies in respect of eligible employees (2022: nil, 2021: \$1,015,900) - recognised in the calendar year in which the employee costs are recognised.
- (c) JobSaver subsidies in respect of payroll expenditure (2022: nil, 2021: \$1,553,571) - recognised in the calendar year in which the PAYG was paid.
- (d) Create NSW Performing Arts COVID Support Package (2022: \$172,585, 2021: \$1,198,635) - recognised in the calendar year the relevant activity took place.
- (e) Create NSW COVID-19 Rescue and Restart Package (2022: nil, 2021: \$750,000) - recognised in the calendar year the relevant activity took place.

5. FUNDING REVENUE (continued)

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.

6. SPONSORSHIP AND DONATIONS

	2022	2021
	Consolidated	Consolidated
	\$	\$
Sponsorship	769,497	689,469
General donations	3,106,746	3,221,948
Bequests	269,717	1,188,843
Trusts & Foundation donations	539,812	274,000
	4,685,773	5,374,260
Total sponsorship and donations	4,685,773	5,374,260

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.

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 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.

7. OTHER INCOME

	2022	2021
	Consolidated	Consolidated
	\$	\$
Orchestral hire income	302,300	194,305
Interest income	249,692	215,617
Other income	186,672	22,621
	738,664	432,543
Total other income	738,664	432,543

Revenue from orchestral hire is recognised as the performance obligations are fulfilled which is when these services are performed. Interest income on deposits is recognised on an accruals basis.

8. EXPENSES

	2022	2021
	Consolidated	Consolidated
	\$	\$
Employee expenses:		
Salaries and wages	21,280,322	21,297,424
Superannuation	2,589,118	2,306,430
Other employee expenses	329,476	161,295
	24,198,916	23,765,149
Depreciation and amortisation:		
Depreciation of property, plant and equipment	145,329	162,833
Depreciation of right-of-use assets	500,231	564,485
Amortisation of intangible assets	123,950	144,965
	769,510	872,283
Finance costs:		
Interest on Lease Liability	18,553	22,505
	18,553	22,505

9. AUDITOR'S REMUNERATION

	2022	2021
	Consolidated	Consolidated
	\$	\$
Remuneration of the Auditor for:		
Audit of the financial reports	50,490	46,920
Other assurance services	-	-
	50,490	46,920
	50,490	46,920

The Auditors of the Group are PricewaterhouseCoopers. No other benefits were received by the auditor.

10. 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.

11. OTHER FINANCIAL ASSETS

	2022	2021
	Consolidated	Consolidated
	\$	\$
Current assets		
Employee instrument loans	39,395	45,886
Non-current assets		
Investment securities	1,994,740	2,087,680
Employee instrument loans	159,868	139,772
Total non-current other financial assets	2,154,608	2,227,452

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.

12. TRADE AND OTHER RECEIVABLES

	2022	2021
	Consolidated	Consolidated
	\$	\$
Trade debtors	117,418	247,047
Other receivables	616,745	414,101
Accrued income	121,669	81,323
Total trade and other receivables	855,832	742,471

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.

13. 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 2022						
At 1 January 2022, net of accumulated depreciation	205,504	49,501	1,438,087	172,849	59,882	1,925,823
Additions	18,324	57,088	-	36,837	40,988	153,237
Disposals	-	-	-	-	-	-
Depreciation charge for the year	(59,178)	(21,640)	-	(29,788)	(34,723)	(145,329)
As at 31 December 2022, net of accumulated depreciation and impairment	164,650	84,949	1,438,087	179,898	66,147	1,933,731
At 31 December 2022						
Cost or fair value	461,752	254,354	1,438,087	1,317,937	252,634	3,724,764
Less disposals	-	-	-	(14,886)	-	(14,886)
Cost or Fair Value	461,752	254,354	1,438,087	1,303,051	252,634	3,709,878
Accumulated depreciation	(297,102)	(169,405)	-	(1,138,039)	(186,487)	(1,791,033)
Less disposals	-	-	-	14,886	-	14,886
	(297,102)	(169,405)	-	(1,123,153)	(186,487)	(1,776,147)
Net carrying amount	164,650	84,949	1,438,087	179,898	66,147	1,933,731
	\$	\$	\$	\$	\$	\$
At 31 December 2021						
Cost or fair value (restated)	443,428	197,266	1,438,087	1,281,100	211,646	3,571,527
Accumulated depreciation (restated)	(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

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

13. PROPERTY, PLANT AND EQUIPMENT (continued)

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.

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.

14. INTANGIBLE ASSETS - SOFTWARE

	2022	2021
	Consolidated	Consolidated
	\$	\$
At 1 January, net of accumulated amortisation	220,414	397,862
Change in accounting policy	-	(32,483)
Amortisation charge for the year	(123,950)	(144,965)
As at 31 December, net of accumulated amortisation and impairment	96,464	220,414
At 31 December		
Cost or fair value - Note 13.1	375,606	375,606
Accumulated Amortisation - Note 13.1	(279,142)	(155,192)
Cost or fair value carried forward	96,464	220,414

Note 13.1 –

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

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.

15. LEASES

The right-of-use asset and lease liabilities 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.

Right-of-use assets are depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the 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.

a) Right-of-use asset

	2022	2021
	Consolidated	Consolidated
	\$	\$
Year ended 31 December		
At 1 January, net of accumulated depreciation	1,000,462	619,453
Lease modification	-	945,494
Depreciation charge for the year	(500,231)	(564,485)
As at 31 December, net of accumulated depreciation and impairment	500,231	1,000,462
At 31 December		
Cost at fair value	1,250,578	1,250,578
Accumulated depreciation	(750,347)	(250,116)
Net carrying amount	500,231	1,000,462

b) Lease liabilities

	2022	2021
	Consolidated	Consolidated
	\$	\$
Current: Lease liabilities	509,685	497,027
Non-current: Lease liabilities	-	509,685
Total lease liabilities	509,685	1,006,712
	2022	2021
	Consolidated	Consolidated
	\$	\$
At 1 January	1,006,712	663,044
Lease modification	-	918,066
Interest expense	18,553	22,505
Lease payments	(515,580)	(596,903)
As at 31 December	509,685	1,006,712

15. LEASES (continued)

c) Maturity analysis - contractual undiscounted cash flows

	2022	2021
	Consolidated	Consolidated
	\$	\$
Less than one year	515,580	515,580
One to five years	-	515,580
Total undiscounted lease liabilities at 31 December	515,580	1,031 160

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.

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 2.55%) 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.

15. LEASES (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 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 it for impairment.

16. TRADE AND OTHER PAYABLES

	2022	2021
	Consolidated	Consolidated
	\$	\$
Accruals	2,521,904	2,575,541
Trade creditors	786,260	652,909
Other payables	10,540	18,515
	3,318,704	3,246,965
Total trade and other payables	3,318,704	3,246,965

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.

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.

17. PREPAID REVENUE

	2022	2021
	Consolidated	Consolidated
	\$	\$
Prepaid ticket sales	8,309,542	6,554,976
Prepaid other	350,590	677,338
	8,660,132	7,232,314
Total prepaid revenue	8,660,132	7,232,314

18. PROVISIONS

	2022	2021
	Consolidated	Consolidated
	\$	\$
Current provisions:		
Employee benefits	4,782,868	4,470,320
Make good provision	128,895	-
Loss of proficiency provision	124,992	-
	5,036,755	4,470,320
Non-current provisions		
Employee benefits	452,013	477,853
Make good provision	-	128,895
	452,013	606,748
	5,036,755	4,470,320

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.

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.

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.

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.

18. PROVISIONS (continued)

Movements in provisions

	Make good provision	Loss of proficiency provision
	Consolidated	Consolidated
	\$	\$
Carrying amount at start of the year	128,895	-
Additional provision charged to employee expenses	-	124,992
	128,895	124,992
Carrying amount at end of the year	128,895	124,992

19. SYMPHONY RESERVE

	2022	2021
	\$	\$
Accumulated reserves at 1 January	9,516,405	8,065,772
Transfer from retained earnings in relation to:		
Current year bequests	269,717	1,188,843
Future Fund donations	350,000	380,000
Transfer to retained earnings in relation to:		
Disbursement of bequests	(59,405)	(118,210)
	10,076,717	9,516,405

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.

20. INTERNATIONAL TOURING RESERVE

	2022	2021
	\$	\$
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 2021, the Reserve held no accumulated funds and no funds were raised in either 2021 or in 2022 for International Touring. The Orchestra did not tour internationally in 2021 or 2022.

21. INSTRUMENT RESERVE

	2022	2021
	\$	\$
Accumulated reserves at 1 January	157,437	156,077
Transfer from retained earnings for interest earned	1,645	1,360
Accumulated reserves at 31 December	159,082	157,437

The assets purchased using the Instrument Reserve are included in *Property Plant and Equipment - Musical Instruments*. There were no purchases in 2022 (2021: Nil).

22. COMMISSIONING RESERVE

	2022	2021
	\$	\$
Accumulated reserves at 1 January	89,181	89,592
Transfer from retained earnings in relation to:		
50 Fanfare donations	-	146,374
Transfer to retained earnings in relation to:		
50 Fanfare expenses	(89,181)	(146,785)
Accumulated reserves at 31 December	-	89,181

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.

23. MATTHEW KREL FUND

	2022	2021
	\$	\$
Accumulated balance at 1 January	580,000	580,000
Interest earned	4,817	3,795
Transfer to retained earnings in relation to:		
Matthew Krel Fund	(4,817)	(3,795)
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.

24. 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

	2022	2021
	\$	\$
Total Compensation	921,690	1,441,697

Payments were made to three (2021: 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. Non-executive Directors are not paid any fees for their services as Directors of the Group.

25. RELATED PARTIES

a) Directors - Transactions with Directors

Mr Craig Whitehead, Chief Executive Officer of the Group for the reporting period and a Director of the Group from 8 December 2022, was appointed as a Director of Symphony Services Australia Limited ('SSA') on 25 January 2023. Ms Emma Dunch, a Director of the Group for the period 1 January to 9 December 2021, as a Director of SSA for the period from 1 January to 10 December 2021. During the year, SSA provided orchestral services to the Group totalling \$1,373,501 (2021: \$430,691) including provision of artist services, artist liaison support and music library services.

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.

26. COMMITMENTS AND CONTINGENCIES

a) Operating lease (non-cancellable): the Group has no significant non-cancellable operating lease commitments as at 31 December 2022 (2021: 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 2023-2024 (2021: 2022-2024). These amounts include the expenditure required to satisfy the contracts with the artists.

	2022	2021
	\$	\$
Not later than one year	1,023,875	637,500
Later than one year and not later than five years	874,000	1,048,000
	1,897,875	1,685,500

26. COMMITMENTS AND CONTINGENCIES (continued)

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. (2021: \$302,000).
- ii. credit collateral on advertising contracts for \$200,000 (2021: \$200,000).
- iii. musical instruments in transit to Germany for the amount of \$53,000 (2021: \$53,000).

No liability is expected to arise from these guarantees.

27. 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.

e) Derivative financial instruments

(i) Forward currency contracts – cash flow hedges

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.

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.

27. FINANCIAL INSTRUMENTS (continued)

As at the reporting date the Group has entered into forward currency contracts to purchase US\$127,500 (2021: nil) at an average exchange rate of USD 0.6801 (2021: not applicable).

(ii) Investment securities

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.

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 \$2,047,343 (2021: \$2,140,283) inclusive of accrued interest receivable. During the period, a loss of \$86,982 was taken to other comprehensive income (2021: \$43,999).

Valuation Technique Market Observable Inputs (Level 2)	2022	2021
	\$	\$
Assets/Liabilities		
Investment securities (note 11)	1,994,740	2,087,680
Forward currency contracts – cash flow hedges	-	-
	<u>1,994,740</u>	<u>2,087,680</u>

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

	2022	2021
	\$	\$
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	-	-
Total comprehensive income of parent Group	-	-

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 2022, set out on pages 11 to 34, 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 2022 and performance for the year ended on that date;
 - ii. complying with Accounting Standards (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, 4 April 2023



Anthony Meagher
Director

Sydney, 4 April 2023



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 2022 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures 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 2022
- the Statement of Profit or Loss and Other Comprehensive Income
- 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 2022, 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 - Simplified Disclosures 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 Group'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.

A stylized, handwritten signature of 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature of Alexandra Richardson in a cursive script.

Alexandra Richardson
Partner

Sydney
4 April 2023