



Sydney Symphony Limited

ABN 50 121 561 528

ANNUAL FINANCIAL REPORT

31 December 2023

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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 (together, the Group) for the year ended 31 December 2023.

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
- Andrew Baxter
- Kees Boersma
- Rosemary Curtin (appointed 27 February 2024)
- Susan Ferrier
- Catherine Hewgill (resigned 23 May 2023)
- The Hon Justice A J Meagher
- Samantha Meers AO (resigned 22 May 2023)
- Roslyn Packer AC (resigned 21 April 2023)
- Katherine Shaw (appointed 10 December 2023)
- Julie Sibraa (appointed 11 December 2023)
- Craig Whitehead

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 Director, Carriageworks 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, Agricultural Innovation Australia 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, 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
Rosemary Curtin	B Mus University of Sydney Grad Dip Performance, Sydney Conservatorium of Music Masters in Performance, Munich Hochschule Fur Musik Grad Dip Management Studies, University of Cambridge Tutti Viola, Sydney Symphony Orchestra Regular musician with the Australian World Orchestra
Susan Ferrier	BA LLB, University of Sydney; MBA, Nijenrode University, The Netherlands Director, Financial Executives Institute Director, Jawun Founder, Susan Ferrier Consulting Pty Ltd Associate, Stephenson Mansell Group Senior Adviser, Principia Advisory 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, UNSW; 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)
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
Katherine Shaw	BA (Hons) Australian National University MBA, Macquarie Graduate School of Management Partner, KPMG Australia
Julie Sibraa	BA, University of Sydney Bachelor of Social Work, University of Sydney Graduate, Australian Institute of Group Directors Director, Manly-Warringah Sea Eagles Ltd Director & Chair, Manly-Warringah Rugby League Club Ltd Director, Manly-Warringah Rugby League Football Club
Craig Whitehead	BA, Grad Dip Bus (QUT), MBA (University of SA) Director, Symphony Services Australia Limited

Principal Activity

In its 91st year, the Sydney Symphony Orchestra remains 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 2023, the Group presented 172 performances. These performances included subscription concerts at the Sydney Opera House, supplementary performances at City Recital Hall, an annual free outdoor community performance in Western Sydney, Symphony Under the Stars, multiple schools and family concerts and performances across Regional NSW..

Strategic Plan

In 2023, the Group's Board of Directors, in partnership with the CEO and Executive team, developed its 2025-2028 Strategic Plan, submitted to government in July 2023. The plan sets out an ambitious set of goals, focused on positioning the Sydney Symphony Orchestra as a leader in its sector and the community it serves; driving a high-performing culture of shared values and collaboration; restoring and building financial strength following the COVID-19 pandemic; and as always, delivering inspirational performances to audiences across on metro, regional, national and global stages – be they physical or virtual.

Following the Board's strategic planning session in November 2022, a further session was deferred to February 2024. In their regular meetings, Directors maintained a focus on the Group's vision, mission and strategic priority areas, in particular working to support a high-performing team via a company-wide process to develop three shared values from the ground up. The values of Integrity, Connection and Joy reflect and reinforce the passion, pride and camaraderie that exists throughout the Group and which is central to the delivery of inspiring performances and programs.

Increased community impact and outreach, increasing access to music and music education across previously underserved communities remains a key pillar of the Group's strategy. In support of this goal and at the direction of the Board, the Group moved to create a new Executive role in the Director of Learning and Engagement and commenced recruitment.

As always, the Group's strategic priority to share inspiring experiences is grounded deeply in artistic integrity. The Board leveraged the internationally-renowned expertise of Chief Conductor Simone Young AM, and the knowledge and deep musical understanding of Director of Artistic Planning Melissa King and musicians to inform the Group's artistic vision for the future, which is reflected in its 2024 programming. The artistic vision focuses on a true diversity of voices, embracing contemporary, collaborative and innovative programming while continuing to celebrate the traditional classics from which the orchestral genre was born.

Key performance indicators associated with the strategic plan were developed and submitted to government funding partners in July 2023.

Artistic Leadership

2023 marked the second year of tenure for Simone Young AM as Chief Conductor. Simone's involvement with the orchestra continues to attract national and international artists and audiences to Sydney, reinforcing Sydney and Australia as world-class destinations for music and the arts. Her leadership has taken the orchestra from strength to strength, including in its performance of ambitious symphonic and operatic works for which Young is renowned – in 2023, these included Mahler's First Symphony, and notably, a showcase of the first instalment of Wagner's Ring Cycle, Das Rheingold, to rave reviews.

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 2024-2025.

The Sydney Symphony Orchestra continues to feel the effects of the global COVID-19 pandemic on its financial outcomes. While audiences have returned to live performances, they are not as great in number, following global trends toward slow audience recovery post-pandemic. This is exacerbated by the current inflationary economic environment and increased pressure on household budgets, leading to a downturn in discretionary spending. The cost of COVID-safe working measures, while not as great as in previous years, remains a contributing factor and is crucial in the proactive monitoring of illness, ensuring the continuity of performances and the least disruption possible to business activity.

Normal business operations have resumed, as has the need for a fully resourced workforce. Positions for which recruitment had previously been 'frozen' as the Group navigated the uncertainty of the pandemic have now been restored, placing upward pressure on salary budgets.

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 2025. 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 2025 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, Creative Australia 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 2023, the level of reserves was \$7.9m (2022: \$9.6m). This decline in reserves reflects the operating result for the year offset by a modest gain on revaluation of non-current investments.

Review and Results of Operations

In 2023 the Group presented a full season of performance activity for the first time since 2019. Consequently, both revenue and expenditure rose significantly compared to 2022, such that revenue increased by \$11.9m to \$45.4m and expenditure increased by \$10.7m to \$47.2m. The Group recorded an operating deficit for the year ended 31 December 2023 of \$1.75m (2022: deficit of \$2.86m).

Ticket sales revenue increased by \$10.6m to \$21.1m but remained impacted by the longer-term effects of COVID-19 on audiences, as well as broader economic factors exerting pressure on consumer discretionary spending. Targeted COVID-19 support from Create NSW of \$663k provided partial relief but was insufficient to fully mitigate against this ongoing trend.

Contributed revenue totalled \$5.6m in 2023, an increase of 20%, or \$951k, compared to 2022. Donations comprise the largest element of this and increased by 5% to \$3.3m in 2023. Sponsorship support totalled \$1.0m in 2023 (2022: \$769k), and \$624k was received via Trusts and Foundations (2022: \$540k).

Government funding fell \$661k to \$17.0m reflecting a reduction in COVID-19 support.

Employee expenses continue to represent the largest element of expenditure, totalling \$28.0m in 2023, or 59% of total expenses. Direct concerts costs rose by \$6.6m to \$16.1m, in line with increased performance activity.

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, though the Board continues to review emerging legislation and best practice in respect of ESG reporting.

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

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 2023. Sydney Symphony Orchestra Holdings Pty Limited paid the premium of \$36,912 (2022: \$44,700) 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 11.

Signed in accordance with a resolution of the Directors:



Geoff Wilson
Chairman
Sydney, 9 April 2024

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 Creative Australia. As at 31 December 2023, 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 culture, employment policies and organisational practices, including compliance with current employment, or other pertinent, laws.

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, is attended by the Chairman of the Board, the Managing Director and the Director of Finance. The Committee 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, 9 April 2024



Auditor's Independence Declaration

As lead auditor for the audit of Sydney Symphony Limited for the year ended 31 December 2023, 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
9 April 2024

Sydney Symphony Limited

ABN 50 121 561 528

Statement of profit or loss and other comprehensive income for the year ended 31 December 2023

		2023	2022
	Notes	Consolidated	Consolidated
		\$	\$
Revenue			
Ticket sales	4	21,096,753	10,469,713
Funding revenue	5	16,996,716	17,657,531
Sponsorship and donations	6	5,636,431	4,685,773
Other income	7	1,682,401	738,664
Total revenue		45,412,301	33,551,681
Expenses			
Employee expenses	8	27,998,407	24,200,681
Artist fees and expenses		5,108,062	3,353,691
Marketing expenses		3,715,725	2,423,183
Production expenses		7,241,715	3,694,435
Depreciation and amortisation	8	757,184	769,510
Finance costs	8	5,895	18,553
Other expenses		2,337,632	1,958,306
Total expenses		47,164,620	36,418,359
Net loss for the year		(1,752,319)	(2,866,678)
Income tax expense	10	-	-
Loss after income tax		(1,752,319)	(2,866,678)
Other comprehensive income:			
Net gain/(loss) on revaluation of financial assets	27	36,668	(86,982)
Total comprehensive income		(1,715,651)	(2,953,660)

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
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Statement of financial position as at 31 December 2023

		2023	2022
Notes	Consolidated	Consolidated	Consolidated
	\$	\$	\$
Current Assets			
Cash and cash equivalents		3,557,155	8,193,207
Term deposits		17,538,310	12,674,821
Other financial assets	11	35,788	39,395
Trade and other receivables	12	927,180	855,832
Prepayments		1,188,945	1,154,042
Total Current Assets		23,247,378	22,917,297
Non-Current Assets			
Property, plant and equipment	13	1,862,306	1,933,731
Intangible assets	14	-	96,464
Right-of-use assets	15	-	500,231
Other financial assets	11	147,671	2,154,608
Total Non-Current Assets		2,009,977	4,685,034
Total Assets		25,257,355	27,602,331
Current Liabilities			
Trade and other payables	16	4,024,038	3,318,704
Prepaid revenue	17	7,580,579	8,660,132
Provisions	18	5,171,011	5,036,755
Lease liabilities	15	-	509,685
Total Current Liabilities		16,775,628	17,525,276
Non-Current Liabilities			
Provisions	18	572,336	452,013
Lease liabilities	15	-	-
Total Non-Current Liabilities		572,336	452,013
Total Liabilities		17,347,964	17,977,289
Net Assets		7,909,391	9,625,042
Equity			
Symphony Reserve	19	11,228,979	10,076,717
International Touring Reserve	20	-	-
Instrument Reserve	21	163,701	159,082
Commissioning Reserve	22	-	-
Matthew Krel Fund	23	580,000	580,000
Asset Revaluation Reserve	27	-	(36,668)
Retained Earnings		(4,063,289)	(1,154,089)
Total Equity		7,909,391	9,625,042

The statement of financial position should be read in conjunction with the notes to the financial statements.

Statement of changes in equity for the year ended 31 December 2023

Consolidated	Notes	Retained	Symphony	International	Instrument	Commissioning	Matthew	Asset	Total
		Earnings	Reserve	Touring	Reserve	Reserve	Krel	Revaluation	
			(Note 19)	Reserve	(Note 21)	(Note 22)	Fund	Reserve	
		\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2023		(1,154,089)	10,076,717	-	159,082	-	580,000	(36,668)	9,625,042
Net loss for the year		(1,752,319)	-	-	-	-	-	-	(1,752,319)
Other comprehensive loss		-	-	-	-	-	-	36,668	36,668
Transfer from/(to) Symphony Reserve	19	(1,161,314)	1,161,314	-	-	-	-	-	-
Transfer from/(to) Symphony Reserve	19	9,052	(9,052)	-	-	-	-	-	-
Transfer from/(to) International Touring Reserve	20	-	-	-	-	-	-	-	-
Transfer from/(to) Instrument Reserve	21	(4,619)	-	-	4,619	-	-	-	-
Transfer from/(to) Commissioning Reserve	22	-	-	-	-	-	-	-	-
Transfer from/(to) Commissioning Reserve	22	-	-	-	-	-	-	-	-
Transfer from/(to) Matthew Krel Fund	23	(22,816)	-	-	-	-	22,816	-	-
Transfer from/(to) Matthew Krel Fund	23	22,816	-	-	-	-	(22,816)	-	-
As at 31 December 2023		(4,063,289)	11,228,979	-	163,701	-	580,000	-	7,909,391

Consolidated	Notes	Retained	Symphony	International	Instrument	Commissioning	Matthew	Asset	Total
		Earnings	Reserve	Touring	Reserve	Reserve	Krel	Revaluation	
			(Note 19)	Reserve	(Note 21)	(Note 22)	Fund	Reserve	
		\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2022		2,185,365	9,516,405	-	157,437	89,181	580,000	50,314	12,578,702
Net profit for the year		(2,866,678)	-	-	-	-	-	-	(2,866,678)
Other comprehensive profit		-	-	-	-	-	-	(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

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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Cash flows used in operating activities		
Cash receipts from box office and sponsors	22,932,490	13,016,634
Cash receipts from general donations	4,544,201	3,645,276
Cash payments to suppliers and employees	(47,285,948)	(37,013,460)
Grants received from government funding bodies	18,438,133	19,758,933
Net payment of Goods and Services Tax	(384,377)	(704,599)
	(1,755,501)	(1,297,216)
Cash flows from/(used in) financing activities		
Interest received	540,369	209,347
Payment of lease liabilities	(515,580)	(515,580)
Employee instrument loans granted	(25,000)	(63,000)
Proceeds from repayments on employee instrument loans	40,805	49,393
	40,594	(319,840)
Cash flows (used in)/from investing activities		
Payments for property, plant and equipment	(89,064)	(153,237)
Redemption of financial assets	14,706,229	14,640,697
Investment in financial assets	(17,538,310)	(12,674,820)
	(2,921,145)	1,812,640
Net cash flows (used in)/from investing activities	(2,921,145)	1,812,640
Net (decrease)/increase in cash held	(4,636,052)	195,584
Cash and cash equivalents at beginning of financial year	8,193,207	7,997,623
	3,557,155	8,193,207
Cash and cash equivalents at end of year	3,557,155	8,193,207

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 2023 was authorised for issue in accordance with a resolution of the Directors on 9 April 2024.

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 56 Pitt Street, Sydney, NSW 2000. The nature of the operations and principal activity of the Group was the performance of symphonic music.

2. SUMMARY OF MATERIAL 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.

a) Basis of consolidation

The consolidated financial statements consist of the financial statements of Sydney Symphony Limited (the Parent) and Sydney Symphony Orchestra Holdings Pty Limited (the subsidiary, together, the Group) as at 31 December 2023.

The financial statements of the subsidiary are prepared for the same reporting period as the Parent, 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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 \$1,715,651 (2022: loss of \$2,953,660), and at year end had a surplus of net assets of \$7,909,391 (2022: surplus of \$9,625,042) and net current assets of \$6,471,750 (2022: \$5,392,021). The Group experienced net cash outflows in operating activities of \$1,755,501 (2022: net outflows of \$1,297,216). 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 Creative Australia and Create NSW, subject to the Group continuing to meet the requirements of the Tripartite Agreement. The Group submitted its application for funding for the period 2025-2028 in July 2023. Continuity of funding is based on a competitive application and is dependent on the Sydney Symphony Orchestra meeting its performance obligations, which it believes it will. The Group is currently awaiting receipt of the Tripartite Agreement for the period 2025-2028, however it has received confirmation from Creative Australia and Create NSW that funding for this period will continue subject to the terms of the current funding 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. These projections reflect the incremental restoration of audiences post-COVID-19 which, together with broad economic pressures, inhibit the return of concert attendance to pre-COVID levels. Also represented are the upward pressures on the costs of the Group, most notably in staffing costs responding to the increased cost of living. Notwithstanding these challenges, the assessment indicates that the Company can expect to meet its obligations as and when they fall due.

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.

If no contract exists or the obligations under the contract are not sufficiently enforceable or specific, then the revenue will be recognised immediately under AASB 1058 Income of Not-for-Profit Entities.

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.

2. SUMMARY OF MATERIAL 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) 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 AASB amended AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* in the current year to require entities to disclose their material rather than their significant accounting policies. No change to the disclosures in respect of accounting policies has been made as a result of this amendment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) 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 2023.

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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Subscriptions	6,116,639	5,107,654
Single night	14,980,114	5,362,059
Total ticket sales	21,096,753	10,469,713

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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Creative Australia	12,453,495	12,173,505
Create NSW	3,872,878	3,639,937
Australia Council for the Arts – Playing Australia	-	119,245
Federal Government COVID-19 support	-	1,539,259
Create NSW COVID-19 support	663,437	172,585
City of Sydney	-	13,000
National Arts Council, Singapore	6,906	-
Total funding revenue	16,996,716	17,657,531

Core funding revenue is received from Creative Australia 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 (2023: \$nil, 2022: \$1,539,259) - recognised in the calendar year in which the performer costs were recognised.
- (b) Create NSW Performing Arts COVID Support Package (2023: \$nil, 2022: \$172,585,) - recognised in the calendar year the relevant activity took place.
- (c) Create NSW COVID-19 Rescue and Restart Package (2023: \$663,437, 2022: nil) - 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 Creative Australia and Create NSW. As a result, the Group has an economic dependency on these entities. The Funding Agreement with Creative Australia 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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Sponsorship	1,002,230	769,497
General donations	3,263,553	3,106,746
Bequests	746,314	269,718
Trusts & Foundation donations	624,334	539,812
	5,636,431	4,685,773
Total sponsorship and donations	5,636,431	4,685,773

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 any 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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Orchestral hire income	526,235	302,300
Interest income	644,691	249,692
Other income	511,475	186,672
	1,682,401	738,664
Total other income	1,682,401	738,664

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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Employee expenses:		
Salaries and wages	23,555,270	20,832,087
Superannuation	2,880,747	2,589,118
Other employee expenses	1,562,390	779,476
	27,998,407	24,200,681
Depreciation and amortisation:		
Depreciation of property, plant and equipment	160,489	145,329
Depreciation of right-of-use assets	500,231	500,231
Amortisation of intangible assets	96,464	123,950
	757,184	769,510
Finance costs:		
Interest on Lease Liability	5,895	18,553
	5,895	18,553

9. AUDITOR'S REMUNERATION

	2023	2022
	\$	\$
Remuneration of the Auditor for:		
Audit of the financial reports	54,060	50,490
	54,060	50,490

The Auditors of the Group are PricewaterhouseCoopers. No other benefits were received by the auditor in respect of any other services.

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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Current assets		
Employee instrument loans	35,788	39,395
Non-current assets		
Investment securities	-	1,994,740
Employee instrument loans	147,671	159,868
Total non-current other financial assets	147,671	2,154,608

Employee loans

Some employees are lent monies which are used 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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Trade debtors	303,644	117,418
Other receivables	397,545	616,745
Accrued income	225,991	121,669
Total trade and other receivables	927,180	855,832

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 2023						
At 1 January 2022, net of accumulated depreciation	164,650	84,949	1,438,087	179,898	66,147	1,933,731
Additions	1,268	-	-	49,568	38,228	89,064
Disposals	-	-	-	-	-	-
Depreciation charge for the year	(61,550)	(24,730)	-	(27,611)	(46,598)	(160,489)
As at 31 December 2023, net of accumulated depreciation and impairment	104,368	60,219	1,438,087	201,855	57,777	1,862,306
At 31 December 2023						
Cost or fair value	463,020	254,354	1,438,087	1,352,619	290,862	3,798,942
Less disposals	-	-	-	(75,039)	-	(75,039)
Cost or Fair Value	463,020	254,354	1,438,087	1,277,580	290,862	3,723,903
Accumulated depreciation	(358,652)	(194,135)	-	(1,150,764)	(233,085)	(1,936,636)
Less disposals	-	-	-	75,039	-	75,039
	(358,652)	(194,135)	-	(1,075,725)	(233,085)	(1,861,597)
Net carrying amount	104,368	60,219	1,438,087	201,855	57,777	1,862,306
	\$	\$	\$	\$	\$	\$
At 31 December 2022						
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)	-	(1,123,153)	(186,487)	(1,776,147)
Net carrying amount	164,650	84,949	1,438,087	179,898	66,147	1,933,731

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

	2023	2022
	Consolidated	Consolidated
	\$	\$
At 1 January, net of accumulated amortisation	96,464	220,414
Amortisation charge for the year	(96,464)	(123,950)
As at 31 December, net of accumulated amortisation and impairment	-	96,464
At 31 December		
Cost or fair value - Note 14.1	375,606	375,606
Accumulated Amortisation - Note 14.1	(375,606)	(279,142)
Cost or fair value carried forward	-	96,464

Note 14.1 –

During the year, \$nil fully amortised assets were written off against the related accumulated amortisation as disclosed against the asset class. (2022: \$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 in respect of the Group's administrative offices at Clocktower, 55 Harrington Street, The Rocks. This lease concluded on 31 December 2023.

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 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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Year ended 31 December		
At 1 January, net of accumulated depreciation	500,231	1,000,462
Lease modification	-	-
Depreciation charge for the year	(500,231)	(500,231)
As at 31 December, net of accumulated depreciation and impairment	-	500,231
At 31 December		
Cost at fair value	1,250,578	1,250,578
Accumulated depreciation	(1,250,578)	(750,347)
Net carrying amount	-	500,231

b) Lease liabilities

	2023	2022
	Consolidated	Consolidated
	\$	\$
Current: Lease liabilities	-	509,685
Non-current: Lease liabilities	-	-
Total lease liabilities	-	509,685

	2023	2022
	Consolidated	Consolidated
	\$	\$
At 1 January	509,685	1,006,712
Lease modification	-	-
Interest expense	5,895	18,553
Lease payments	(515,580)	(515,580)
As at 31 December	-	509,685

15. LEASES (continued)

On 1 January 2024 the Group took effective control of a new administrative office at Level 17, 56 Pitt Street, Sydney. This new lease resulted in recognition of a \$3,178,387 right-of-use asset, a current lease liability of \$506,529 and a non-current lease liability of \$2,671,858 as at the commencement date.

c) Maturity analysis - contractual undiscounted cash flows

	2023	2022
	Consolidated	Consolidated
	\$	\$
Less than one year	-	515,580
One to five years	-	-
Total undiscounted lease liabilities at 31 December	-	515,580

From 1 January 2024, the lease in respect of Level 17, 56 Pitt Street, Sydney has undiscounted cash flows of \$688,530 due within one year and \$3,022,182 due between one to five years.

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.

15. LEASES (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 of 2.55% over the remaining lease term in respect of Clocktower, 55 Harrington Street, The Rocks. The incremental borrowing rate for the lease in respect of Level 17, 56 Pitt Street, Sydney is 6.48% as at 1 January 2024.

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.

16. TRADE AND OTHER PAYABLES

	2023	2022
	Consolidated	Consolidated
	\$	\$
Accruals	2,408,311	2,521,904
Trade creditors	1,603,901	786,260
Other payables	11,826	10,540
	4,024,038	3,318,704
Total trade and other payables	4,024,038	3,318,704

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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Prepaid ticket sales	7,534,548	8,309,542
Prepaid other	46,031	350,590
	7,580,579	8,660,132
Total prepaid revenue	7,580,579	8,660,132

18. PROVISIONS

	2023	2022
	Consolidated	Consolidated
	\$	\$
Current provisions:		
Employee benefits	4,917,124	4,782,868
Make good provision	128,895	128,895
Loss of proficiency provision	124,992	124,992
	5,171,011	5,036,755
Total current provisions	5,171,011	5,036,755
Non-current provisions		
Employee benefits	572,336	452,013
Make good provision	-	-
	572,336	452,013
Total non-current provisions	572,336	452,013

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.

18. PROVISIONS (continued)

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 conclusion of the lease in respect of the Group's administrative offices at Clocktower, 55 Harrington Street, The Rocks in accordance with the amount specified in the Lease Agreement.

Movements in provisions

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

19. SYMPHONY RESERVE

	2023	2022
	Consolidated	Consolidated
	\$	\$
Accumulated reserves at 1 January	10,076,717	9,516,405
Transfer from retained earnings in relation to:		
Current year bequests	746,314	269,717
Future Fund donations	415,000	350,000
Transfer to retained earnings in relation to:		
Disbursement of bequests	(9,052)	(59,405)
	11,228,979	10,076,717

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 and otherwise at the discretion of the Directors of the Group.

20. INTERNATIONAL TOURING RESERVE

	2023	2022
	\$	\$
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 2022, the Reserve held no accumulated funds and no funds were raised in either 2022 or in 2023 for International Touring. The Orchestra did not tour internationally in 2022 or 2023.

21. INSTRUMENT RESERVE

	2023	2022
	\$	\$
Accumulated reserves at 1 January	159,082	157,437
Transfer from retained earnings for interest earned	4,619	1,645
Accumulated reserves at 31 December	163,701	159,082

The assets purchased using the Instrument Reserve are included in *Property Plant and Equipment - Musical Instruments*. There were no purchases in 2023 (2022: Nil).

22. COMMISSIONING RESERVE

	2023	2022
	\$	\$
Accumulated reserves at 1 January	-	89,181
Transfer from retained earnings in relation to: 50 Fanfare donations	-	-
Transfer to retained earnings in relation to: 50 Fanfare expenses	-	(89,181)
Accumulated reserves at 31 December	-	-

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

	2023	2022
	\$	\$
Accumulated balance at 1 January	580,000	580,000
Interest earned	22,816	4,817
Transfer to retained earnings in relation to: Matthew Krel Fund	(22,816)	(4,817)
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

	2023	2022
	Consolidated	Consolidated
	\$	\$
Total Compensation	842,865	921,690

Payments were made to three (2022: 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, a Director of the Group, was appointed as a Director of Symphony Services Australia Limited ('SSA') on 25 January 2023. During the year, SSA provided orchestral services to the Group totalling \$2,559,700 (2022: \$1,373,501) 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 2023 (2022: 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 2024 (2022: 2023-2024). These amounts include the expenditure required to satisfy the contracts with the artists.

	2023	2022
	Consolidated	Consolidated
	\$	\$
Not later than one year	1,415,000	1,023,875
Later than one year and not later than five years	-	874,000
	1,415,000	1,897,875

- 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 (2022: \$302,000).
 - ii. the operating lease over premises at Level 17, 56 Pitt Street, Sydney, NSW, for the amount of \$301,987 (2022: \$nil)
 - iii. credit collateral on advertising contracts for \$200,000 (2022: \$200,000).

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.

27. FINANCIAL INSTRUMENTS (continued)

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.

As at the reporting date the Group has entered into forward currency contracts to purchase US\$132,000 (2022: US\$127,500) at an average exchange rate of USD 0.6382 (2022: USD 0.6801) and EUR90,000 (2022: nil) at an average exchange rate of EUR 0.5980 (2022: 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 \$nil (2022: \$2,047,343) inclusive of accrued interest receivable. During the period, a gain of \$36,668 was taken to other comprehensive income (2022: loss of \$86,982).

Valuation Technique Market Observable Inputs (Level 2)	2023	2022
	\$	\$
Assets/Liabilities		
Investment securities (note 11)	-	1,994,740
	-	1,994,740

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

	2023	2022
	\$	\$
Current assets	-	-
Non-current assets	7,909,721	8,578,559
Total assets	7,909,721	8,578,559
Current liabilities		
Total liabilities	330	330
Net assets	7,909,391	8,578,229
Equity		
Retained earnings	7,909,391	8,578,229
Total equity	7,909,391	8,578,229
Loss of Parent Entity	(668,838)	-
Total comprehensive income of parent Group	(668,838)	-

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 2023, set out on pages 12 to 35, 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 2023 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, 9 April 2024



Anthony Meagher
Director

Sydney, 9 April 2024



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 2023 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 Regulations 2022*.

What we have audited

The Group financial report comprises:

- the statement of financial position as at 31 December 2023
- the statement of profit or loss and other 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, including material accounting policy information 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 2023, but does not include the financial report and our auditor's report thereon.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999

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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 through our opinion on the financial report.

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.

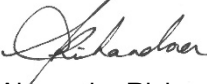
The directors are responsible for overseeing the Group's financial reporting process.

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/ar4.pdf. This description forms part of our auditor's report.


PricewaterhouseCoopers


Alexandra Richardson
Partner

Sydney
9 April 2024