

**“SYDNEY”
“SYMPHONY”
“ORCHESTRA”**

Sydney Symphony Limited

ABN 50 121 561 528

ANNUAL FINANCIAL REPORT

31 December 2020

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Directors Report

The Directors present their report together with the financial report of Sydney Symphony Limited, the parent entity, and its controlled entity Sydney Symphony Orchestra Holdings Pty Limited (the Group) for the year ended 31 December 2020.

Directors

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

Terrey Arcus AM (Chairman)
 Geoff Ainsworth AM
 Andrew Baxter
 Kees Boersma
 Ewen Crouch AM (resigned 18 June 2020)
 Emma Dunch
 Catherine Hewgill
 The Hon Justice A J Meagher
 Samantha Meers AO (appointed 3 November 2020)
 Karen Moses
 Dr John Vallance
 Geoff Wilson

Qualification of Directors

Director	Experience and Qualifications
Terrey Arcus AM	BSc, BE (Hons) Syd; MBA (Dist) Harv. Founder & Consultant to Port Jackson Partners Limited
Emma Dunch (CEO)	B A (Communications) B Music Performance (Opera) Managing Director, Sydney Symphony Orchestra Director, Symphony Services Australia Limited
Geoff Ainsworth AM	BA (Hons) UNSW, MA Macq, Dip. Fin. Mgt. UNE Director, Carriageworks Director, National Gallery of Australia Foundation Director, Serioso Pty Limited Acquisitions and Loans Committee, AGNSW
Andrew Baxter	B Bus (Mktg), FAMI CPM, FAICD Chair, Australian Pork Board Member, National Basketball League Non-Executive Director, Trimantium GrowthOps Limited ("GrowthOps") Non-Executive Director, Ancient Order of Foresters in Victoria Friendly Society Limited ("Foresters Financial") Non-Executive Director, Commtract Non-Executive Director, Nettlefold Digital Pty Ltd Senior Advisor, KPMG Senior Advisor, BGH Capital Adjunct Professor, University of Sydney
Kees Boersma	Dip.of Arts (Music) Victorian College of the Arts Principal Double Bass, Sydney Symphony Orchestra Lecturer in Double Bass, Sydney Conservatorium of Music

Sydney Symphony Limited

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Ewen Crouch AM	BEc (Hons) LLB Syd, FAICD Chair, Corporate Travel Management Limited Director, BlueScope Steel Limited Director, Jawun Consultant, Allens
Catherine Hewgill	B Mus Univ of Southern California Principal Cello Sydney Symphony Orchestra
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, Documentary Australia Foundation 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 Chair, NSW Artform Board – Dance & Physical Theatre Fellow, Sydney University Senate
Dr. John Vallance	BA (Hons) Syd; MA, PhD Cambridge, FAHA Honorary Professor at the University of New South Wales NSW State Librarian & Chief Executive, State Library of NSW Deputy Chair, Gonski Institute for Education, University of New South Wales Non-Executive Director, Crestone Foundation Trustee, ANZAC Memorial
Geoff Wilson	B.Com UNSW, GAICD, Fellow of ICAA & CPA Australia; US CPA Director, HSBC Bank Australia Limited Director, Nanosonics Limited Director, TOLL Holdings Limited Director, Future Generation Global Limited Director, ipSCAPE

Principal Activity

Performing for Australian audiences for 88 years, the internationally renowned Sydney Symphony Orchestra (“Group”) is Australia’s flagship orchestra. The Sydney Opera House has been the home of the Group for performances and rehearsals since its opening in 1973. During 2020 and 2021, the Group has relocated to the Sydney Town Hall while the Sydney Opera House Concert Hall undergoes a two-year renovation.

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

From 1 January until 13 March 2020, the Group presented 34 public performances as originally planned. The Group collaborated in a multidisciplinary dance and music presentation of First

Nations artist Gurrumul Yunupingu's "Bunggul" for the Sydney Festival, launched its new "Symphony Hour" series with performances of Igor Stravinsky's "The Rite of Spring" at Sydney Town Hall and the new Sydney Coliseum Theatre in Western Sydney, performed in the NSW Premier's Australia Day Live national telecast from the Sydney Opera House Forecourt, offered its annual Symphony Under the Stars performance at Parramatta Park, this year raising money for NSW bushfire relief, and presented subscription concerts at Sydney Town Hall and City Recital Hall, among other activities.

From 14 March 2020, no public performances were mounted. However, from 1 October until 15 December 2020, the Group opportunistically presented some closed, limited performances for patrons as government restrictions allowed.

Throughout the COVID-19 pandemic, the Group focused on the creation and distribution of digital music performances online, with an emphasis on works written by living Australian composers. Digital productions included a collaboration with Sydney Dance Group, a collaboration with the Actors Benevolent Fund, 29 "Sydney Symphony at Home" performances, 18 "Chamber Sounds" concerts filmed at City Recital Hall and two full orchestra concerts filmed at Sydney Town Hall and led by Chief Conductor Designate Simone Young AM.

An average of 18,000 patrons viewed the Group's digital recordings online each month. Total online reach across all platforms averaged 1.8m viewers per month.

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

Strategic Plan and Key Performance Indicators (KPIs)

The Group's strategic plan, "Managing Disruptive Change (2019-2023)" outlines key strategic priorities in:

- (1) Advancing our Artform;
- (2) Increasing Access to the Arts;
- (3) Strengthening Our Sector; and
- (4) Managing for Sustainability.

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

The strategic plan was reviewed and approved by the Group's Tripartite funders, being the Federal Government through the Australia Council for the Arts and the NSW Government through Create NSW, and the Group's continued achievement of the agreed annual KPIs is a requirement of continued funding. In 2020, the Group delivered its agreed KPIs.

Artistic Leadership

Simone Young AM, Chief Conductor Designate, travelled to Australia twice during the COVID-19 pandemic to support the Group, lead chamber music performances and digital concert recordings, and collaborate with senior executives, orchestra leadership, and the Board of Directors on long-range artistic planning for her debut season as Chief Conductor in 2022.

Simone Young partnered closely with CEO Emma Dunch, Concertmaster Andrew Haveron and senior executives to embed a high quality of pastoral care for the musicians and to devise continued rehearsal and performance opportunities supporting the maintenance of high artistic standards during lockdown. Every musician prepared for and participated in digital concert projects, chamber music ensembles and full-orchestra performances. The musicians diligently maintained their professional playing standards and were quickly able to return to performing when gathering restrictions were eased.

Supporting Australian Composers

In February 2020, the Group announced “The 50 Fanfares Project”, a large-scale investment in the next generation of Australian contemporary music talent. Funded in part by philanthropy, the Project commissions fifty new works, for various sized orchestral forces, to be premiered across 2020-2023. The selected commissions were awarded from amongst more than 270 composers recommended by a national advisory panel. 50% of the commissions were awarded to composers aged under 40, 50% were awarded to female composers, and 20% were awarded to composers from culturally and linguistically diverse backgrounds, including First Nations composers.

The Group’s “Chamber Sounds” digital series comprised 50% works by living Australian composers including William Barton, Timothy Constable, Ross Edwards, Richard Meale, Harry Sdraulig and Paul Stanhope and included the world premiere performance and recording of “Hat-trick” by Mr. Sdraulig, which premiere was watched by more than 28,000 people worldwide online.

Training Australian Musicians

The Group continued to support emerging talent through its internationally recognised Sydney Symphony Fellowship programme, which employs talented young orchestral musicians, selected through competitive national auditions, and prepares them for lives as professional working musicians, including participation in mainstage performances, chamber music presentations, education concerts, and community engagement programmes. In 2020, there were 10 Sydney Symphony Orchestra Fellows. Due to the COVID-19 pandemic, which limited training opportunities, all Fellows were automatically re-employed for 2021 so as to complete their training across an extended period.

Serving and Educating the Citizens of New South Wales

In February 2020, the Group was able to successfully launch its new, three-year artistic programming partnership with the Sydney Coliseum Theatre in Western Sydney before further public performances were cancelled. Due to COVID-19, this partnership is currently on hiatus at the request of Sydney Coliseum Theatre. The Group, which has prioritised serving audiences across the Greater Sydney region, will seek to resume this important audience development collaboration in 2022.

Sadly, the Group’s unbroken 82-year history of touring regional NSW annually was interrupted by COVID-19.

In October 2020, the Group presented a keynote address to the NSW Association of Regional Conservatoriums of Music and collaborated on new plans to meet the needs of these crucial music training institutions which are the pipeline for future Australian audiences, performers and composers.

Orchestral Instruments

To improve the quality of sound produced by the Orchestra, the Group maintains an Instrument Reserve to acquire fine instruments and support musicians who wish to acquire fine instruments independently. In 2020, the Group supported 14 musicians with 14 ongoing and one new loan to acquire instruments and worked with independent philanthropists to support their acquisition and loan of a 1707 Grancino cello for use by a Principal musician.

Process for Self-Assessment of Artistic Quality

There is an approved process for self-assessment of artistic quality. These outcomes inform the future planning of the Group and the self-assessment process draws on a variety of verifiable internal and external sources, including:

- The Orchestra’s Artistic Committee;
- The Concertmaster’s assessment;
- Joint meetings of the Board of Directors and Orchestra Artistic Committee;

- Weekly written assessments of visiting conductors by the full orchestra;
- Listening panel sessions with musicians and administration;
- Assessment by the Chief Executive Officer, Director of Artistic Planning, and senior executives;
- Peer review panel comprised of expert academics, critics and classical music industry professionals;
- Assessment by the Chief Conductor Designate;
- Assessment by visiting conductors and soloists;
- Assessment by professional sound recording engineers;
- Review through national and international press coverage; and
- Audience feedback, through surveys and other communication channels.

Sydney Opera House Trust Renewal Project

The Sydney Opera House (SOH) Concert Hall closed in December 2019 for two calendar years as part of the SOH's Decade of Renewal program of renovations and capital works leading up to the SOH's 50th Anniversary in 2023. The Group has regularly rehearsed and performed in the SOH Concert Hall as a Primary Resident Company since 1973, to the delight of its musicians and audiences alike.

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

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

In June 2019, the NSW Government confirmed a funding commitment of \$10 million over two years to support the Group during 2019/2020 and 2020/2021 against a shortfall of \$18.9m, with the Group to fund the balance, which it has done. The Group received the 2019/2020 instalment of \$5m in July 2020. The 2020/2021 instalment of \$5m has not been received at the date of this report.

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

As part of these Reviews, the Group agreed to reduce its historical occupancy of the Sydney Opera House Concert Hall. Beginning in 2022, the Group will deliver its full concert season while reducing its annual venue occupancy from 35 weeks to 32 weeks each year. The Group is obliged to renegotiate its employee labour agreements to deliver this requested schedule.

Directors' Assessment of Going Concern

The Group's Directors undertook a thorough assessment of going concern in preparing these financial statements. This was done in light of the significant financial and organisational impacts of the SOH Renewal Project, the requirements of Public Health Orders and the impacts of COVID-19. The review considered the operating budgets, projected balance sheet position and detailed cash flows for the Group for the period 2021-2022. In addition, the Directors had regard to the commitment of the NSW Minister for the Arts that the NSW Government will provide the above outlined funding commitment to support both the Group trading solvently and entering into appropriate agreements for the year ahead which will bind the Group.

The combination of these considerations indicates that the Group can reasonably expect to be able to meet its obligations as and when they fall due for at least the period through 2022. On this basis the Directors have a reasonable basis to consider the Group to be a going concern. Further, the Directors have a reasonable basis to consider the Group will be able to enter into commitments with third parties in preparation for presentation of the 2022 season.

Reserves Policy

The Group maintains a number of reserves as outlined in the financial statements and related notes to the financial statements. The Group, by virtue of the Tripartite Agreement between the parent entity, Sydney Symphony Limited, the Australia Council and Create NSW, uses reasonable endeavours to maintain and improve its overall financial viability, having regard to both reserves and annual results. At 31 December 2020, the level of reserves totalled 54% of the Group's annual costs (2019: 17%) although it is noted that annual costs for the year ended 31 December 2020 were 34% reduced compared to year ended 31 December 2019.

Review and Results of Operations

The Group recorded an operating surplus for the year ended 31 December 2020 of \$7,832,653 (2019: deficit of \$501,630).

Coming into 2020, the revenue projections for the Group were challenged by performing away from the SOH to the smaller capacity Sydney Town Hall. This was being mitigated by cost management and supported by the NSW funding commitment of \$5m. COVID-19 had a further significant impact on revenue, which the Group was able to mitigate through direct cost reductions, support of the Australian Government through JobKeeper, substantial agreed salary reductions across the Group, indirect cost management and the generous support of the public and our patrons.

COVID-19 prevented the Group from presenting public performances from mid-March, resulting in a 92% decline in ticket revenue from \$19.5m to \$1.6m (-\$17.9m).

Sponsorship support declined by 63% from \$1.1m to \$0.4m (-\$0.7m) due to COVID-19 business interruption of the sponsoring corporations. Philanthropic giving increased by 22% from \$4.2m to \$5.1m (+\$0.9m), in addition to which bequest gifts of \$3.0m (2019: \$0.2m) were received. Bequests are policy-designated to reserves.

The performance revenue decline of \$17.9m was more than offset by:

- a 73% reduction in direct performance costs from \$15.1m to \$4.1m (+\$11.0m),
- Australian Government COVID-19 JobKeeper support of +\$4.8m
- Orchestra and administrative staff agreed salary reductions of +\$1.5m
- Other employee and administration cost reductions of +\$1.4m and
- NSW Government Renewal Project support of +\$5m.

Significant change in the state of affairs

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

Likely developments

The Group's continuing viability is dependent, *inter alia*, on maintaining its current level of funding, especially government funding, during the year ended 31 December 2021 and securing the second instalment of NSW Government venue dislocation funding for 2020/2021 with regard to the SOH Renewal project.

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:

Meeting Type	Board		Audit & Risk		Nomination & Remuneration		People & Culture		
	Number of Meetings Attended (A)	A	B	A	B	A	B	A	B
Terrey Arcus AM – Note 1	6	6	-	-	3	3	-	-	-
Emma Dunch – Note 1	6	6	-	-	-	-	-	-	-
Geoff Ainsworth AM	6	6	4	4	1	1	4	4	4
Andrew Baxter	6	6	4	4	-	-	4	4	4
Kees Boersma	6	6	-	-	-	-	-	-	-
Ewen Crouch AM	4	4	2	2	-	-	-	-	-
Catherine Hewgill	6	6	-	-	-	-	-	-	-
The Hon Justice A J Meagher	6	5	4	3	3	3	-	-	-
Samantha Meers AO	1	1	-	-	-	-	-	-	-
Karen Moses	6	6	4	4	3	3	-	-	-
Dr John Vallance	6	5	-	-	3	3	-	-	-
Geoff Wilson	6	6	4	4	-	-	4	4	4

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

Directors' Remuneration

Directors are not paid any fees for their services as Directors of the Group. Details of Directors' remuneration for their services as employees of the Group are disclosed in Note 23.

Indemnification and insurance of Officers

Insurance and indemnity arrangements established in previous years concerning officers of the Group were renewed and continued during 2020. Sydney Symphony Orchestra Holdings Pty Limited paid the premium of \$36,125 (2019: \$35,420) 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 13.

Signed in accordance with a resolution of the Directors:



Terrey Arcus AM
Chairman

Sydney
28 April 2021

Corporate Governance Statement

This statement outlines the Group's corporate governance practices and addresses the Essential Governance Practice Principles published and monitored by the Australia Council for the Arts. These principles are based on the recommendations published by the ASX Corporate Governance Council. As at 31 December 2020, 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



Terrey Arcus AM
Chairman

Sydney
28 April 2021



Auditor's Independence Declaration

As lead auditor for the audit of Sydney Symphony Limited for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink, appearing to read 'E A Barron'.

E A Barron
Partner
PricewaterhouseCoopers

Sydney
28 April 2021

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Liability limited by a scheme approved under Professional Standards Legislation.

Sydney Symphony Limited
 ABN 50 121 561 528
 Income Statement for the year ended 31 December 2020

	Notes	2020		2019	
		Consolidated	\$	Consolidated	\$
Revenue					
Ticket sales	4	1,574,862		19,544,842	
Funding revenue	5	25,033,059		15,130,425	
Sponsorship and donations	6	8,485,729		5,406,821	
Other income	7	699,110		1,558,134	
Total revenue		35,792,760		41,640,222	
Expenses					
Employee expenses	8	21,617,048		24,490,096	
Artist fees and expenses		660,934		5,229,156	
Marketing expenses		1,579,279		2,700,905	
Production expenses		1,828,658		7,163,736	
Depreciation and amortisation	8	754,844		649,469	
Finance costs	8	31,864		44,913	
Other expenses		1,487,480		1,863,577	
Total expenses		27,960,107		42,141,852	
Net profit/(loss) for the year		7,832,653		(501,630)	
Income tax expense	9	-		-	
Profit/(loss) after income tax		7,832,653		(501,630)	

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

Sydney Symphony Limited
 ABN 50 121 561 528
 Statement of Comprehensive Income for the year ended 31 December 2020

	Notes	2020		2019	
		Consolidated	\$	Consolidated	\$
Profit/(loss) after income tax		7,832,653		(501,630)	
Other comprehensive income					
Net gain on revaluation of financial assets	26	94,313		-	
Total comprehensive income		7,926,966		(501,630)	

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

Sydney Symphony Limited
 ABN 50 121 561 528
 Statement of Financial Position as at 31 December 2020

Notes	2020		2019	
	Consolidated	\$	Consolidated	\$
Current Assets				
Cash and cash equivalents	5,548,612		4,903,143	
Term deposits	15,787,824		8,020,114	
Other financial assets	10	54,047	73,162	
Trade and other receivables	11	782,420	1,345,541	
Lease receivable	14	-	153,137	
Prepayments		294,093	792,236	
Total Current Assets		22,466,996	15,287,333	
Non-Current Assets				
Property, plant and equipment	12	1,924,018	1,965,555	
Intangible assets	13	397,862	53,244	
Right-of-use assets	14	619,453	1,147,301	
Other financial assets	10	3,521,456	3,515,705	
Term deposits		-	580,000	
Total Non-Current Assets		6,462,789	7,261,805	
Total Assets		28,929,785	22,549,138	
Current Liabilities				
Trade and other payables	15	1,798,717	2,487,194	
Prepaid revenue	16	6,772,618	6,933,354	
Provisions	17	3,852,154	4,209,350	
Lease liabilities	14	551,293	673,583	
Total Current Liabilities		12,974,782	14,303,481	
Non-Current Liabilities				
Provisions	17	834,532	500,860	
Lease liabilities	14	111,751	663,043	
Total Non-Current Liabilities		946,283	1,163,903	
Total Liabilities		13,921,065	15,467,384	
Net Assets		15,008,720	7,081,754	
Equity				
Symphony Reserve	18	8,065,772	3,787,381	
International Touring Reserve	19	-	-	
Instrument Reserve	20	156,077	153,797	
Commissioning Reserve	21	89,592	-	
Matthew Krel Fund	22	580,000	580,000	
Asset Revaluation Reserve	26	94,313	-	
Retained Earnings		6,022,966	2,560,576	
Total Equity		15,008,720	7,081,754	

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

Sydney Symphony Limited
ABN 50 121 561 528
Statement of Changes in Equity for the year ended 31 December 2020

Consolidated	Notes	International					Matthew Krel Fund (Note 22)	Asset Revaluation Reserve (Note 26)	Total Equity
		Retained Earnings	Symphony Reserve (Note 18)	Touring Reserve (Note 19)	Instrument Reserve (Note 20)	Commissioning Reserve (Note 21)			
		\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2020		2,560,576	3,787,381	-	153,797	-	580,000	-	7,081,754
Net profit for the year		7,832,653	-	-	-	-	-	-	7,832,653
Other comprehensive loss		-	-	-	-	-	-	94,313	94,313
Transfer from/(to) Symphony Reserve	18	(4,402,637)	4,402,637	-	-	-	-	-	-
Transfer from/(to) Symphony Reserve	18	124,246	(124,246)	-	-	-	-	-	-
Transfer from/(to) International Touring Reserve	19	-	-	-	-	-	-	-	-
Transfer from/(to) Instrument Reserve	20	(2,280)	-	-	2,280	-	-	-	-
Transfer from/(to) Commissioning Reserve	21	(191,376)	-	-	-	191,376	-	-	-
Transfer from/(to) Commissioning Reserve	21	101,784	-	-	-	(101,784)	-	-	-
Transfer from/(to) Matthew Krel Fund	22	(16,820)	-	-	-	-	16,820	-	-
Transfer from/(to) Matthew Krel Fund	22	16,820	-	-	-	-	(16,820)	-	-
As at 31 December 2020		6,022,966	8,065,772	-	156,077	89,592	580,000	94,313	15,008,720

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

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

Sydney Symphony Limited
 ABN 50 121 561 528
 Statement of Cash Flows for the year ended 31 December 2020

	2020 Consolidated \$	2019 Consolidated \$
Cash flows from/(used in) operating activities		
Cash receipts from box office and sponsors	3,101,624	19,968,446
Cash receipts from general donations	8,099,960	4,090,873
Cash payments to suppliers and employees	(27,784,575)	(42,255,174)
Grants received from government funding bodies	26,504,040	16,531,444
Interest on leases	(31,864)	(44,913)
Net payment of Goods and Services Tax	(1,459,582)	(413,946)
Net cash flows from/(used in) operating activities	8,429,603	(2,123,270)
Cash flows (used in)/from financing activities		
Interest received	384,548	548,596
Receipt from lease receivables	155,245	163,387
Payment of lease liabilities	(705,446)	(581,578)
Employee instrument loans granted	(16,000)	(40,000)
Proceeds from repayments on employee instrument loans	115,306	112,734
Net Cash flows (used in)/from financing activities	(66,347)	203,139
Cash flows (used in)/from investing activities		
Payments for property, plant and equipment	(114,924)	(105,980)
Proceeds from the sale of fixed assets	-	9,090
Payments for intangible assets	(415,153)	(2,465)
Redemption of financial assets	8,020,114	9,206,540
Investment in financial assets	(15,207,824)	(6,307,822)
Net cash flows (used in)/from investing activities	(7,717,787)	2,799,363
Net increase in cash held	645,469	879,232
Cash and cash equivalents at beginning of financial year	4,903,143	4,023,911
Cash and cash equivalents at end of year	5,548,612	4,903,143

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

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

1. CORPORATE INFORMATION

The financial report of the Group for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 8 April 2021.

Sydney Symphony Limited (the parent) is a “not-for-profit” public company limited by guarantee, incorporated and domiciled in Australia. The address of the registered office is 55 Harrington Street Sydney, NSW 2000. The nature of the operations and principal activity of the Group was the performance of symphonic music.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-Profits Commissions Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements, and other authoritative pronouncements of the Australian Accounting Standards Board. The consolidated financial report has also been prepared on a historical cost basis except for derivative financial instruments which have been measured at fair value. The consolidated financial report is prepared in Australian dollars.

Statement of compliance

The Group has elected to present Tier 2 General Purpose Financial Statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB), and the *Australian Charities and Not-for-Profits Commissions Act 2012*.

Financial risk management objectives and policies

The Group’s principal financial instruments consist of cash and term deposits, receivables and payables. The Group manages its exposure to key financial risks, including interest rate and currency risk, in accordance with the Group’s financial risk management policy. The disclosures are included under Note 26 to the financial statements.

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

Sydney Symphony Limited
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Notes to the Financial Statements

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 2020.

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 profit for the year of \$7,926,966 (2019: loss of \$501,630), and at year end had a surplus of net assets of \$15,008,720 (2019: \$7,081,754) and net current assets of \$9,492,214 (2019: \$983,852). The Group generated net cash inflows in operating activities of \$8,429,603 (2019: net cash outflows \$2,123,270). 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 Multipartite Agreement is current for the period 2019-2021 with the Australia Council for the Arts and Create NSW, subject to the Group continuing to meet the requirements of the Multipartite Agreement. The Group has received confirmation that its application for funding for the period 2021-2024 has been successful.

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

In June 2019, the NSW Government confirmed a funding commitment of \$10 million over two years to support the Group during 2019/2020 and 2020/2021 against a shortfall of \$18.9m, with the Group to fund the balance, which it has done. The Group received the 2019/2020 instalment of \$5m in July 2020. The 2020/2021 instalment of \$5m has not been received at the date of this report.

As well, the Group considered the likely ongoing impact of COVID-19 on its business activity through 2021 and 2022. This included projections in respect of venue capacity restrictions as a result of NSW Government Public Health Orders, anticipated demand for concert tickets, domestic and international travel restrictions, targeted COVID-19 Government support and workforce concessions negotiated with employees, and approved by the Fair Work Commission where applicable, in response to the pandemic (effective through to 31 December 2021).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 follows:

i. **Funding revenue**

Funding revenue is received from the Australia Council for the Arts and Create NSW. Funding is received based on payment schedules contained in a funding agreement between the funding bodies and the parent entity. The revenue is recognised in the calendar year for which it is intended under the terms of the agreement. Any funding not spent on the planned activities agreed between the parties at the start of each calendar year is required to be repaid.

In response to the impact of the COVID-19 pandemic, the Company received JobKeeper subsidies in respect of eligible employees (see Note 5). This revenue is recognised in the calendar year in which the employee costs are recognised.

ii. **Ticket sales**

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

iii. **Sponsorship, Trusts & Foundations and donations**

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

iv. **Orchestral hire income**

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

v. **Interest income**

Interest income on deposits is recognised on an accruals basis.

d) **Foreign currency translation**

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

e) **Income tax and other taxes**

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

The Group is exempt from income tax by virtue of being a cultural organisation established for the encouragement of music and a charitable institution. Accordingly, no income tax or deferred income tax is provided.

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included gross in the Statement of Cash Flows. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

f) **Cash and cash equivalents**

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

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

g) **Trade and other receivables**

Trade receivables, which generally have 60-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Trade receivables are reviewed and assessed for lifetime expected credit losses based on a combination of historical observed default rates, prevailing and anticipated economic conditions and known circumstances at the individual debtor level. An allowance for provision for impairment of trade receivables is used when there is an expectation that the full contractual trade receivable will not be recovered. The

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

h) Property, plant and equipment

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

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

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

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

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement in the period the asset is derecognised.

i) Intangible assets

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

j) Right-of-use Assets

Right-of-use assets are depreciated to the earlier of the useful life of the asset or the lease term (see Note 3) using the straight-line method and is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in "Depreciation and amortisation".

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Impairment

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

l) Leases

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

At inception, a right-of-use (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 3.34%) over the remaining lease term. The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent to the commencement date, lease liabilities are measured by:

- a) increasing the carrying amount to reflect interest on the lease liability;
- b) reducing the carrying amount to reflect the lease payments made; and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

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

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

m) Trade and other payables

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

n) Provisions

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

Make good provision

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

o) Employee benefits

Wages, salaries and annual leave

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long service benefits

The provision for long service leave benefits represents the present value of the estimated future cash outflows to be made, resulting from employees' services provided up to the reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history.

Superannuation

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

Employee loans

Some employees are lent monies which are used in turn to purchase musical instruments. These loans are secured by the instruments themselves and are interest bearing. Amounts outstanding are recouped over time through contributions withheld from musicians' salaries. These are recorded within other financial assets. These loans are held in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. As such, they are recognised initially at fair value and subsequently measured at amortised cost. Where the credit risk associated with these loans is deemed to remain significantly unchanged, they are reviewed and assessed for expected credit losses over a 12-month period based on a combination of historical observed default rates, prevailing and anticipated economic conditions and known circumstances at the individual debtor level. An allowance for provision for impairment is used when there is an expectation that the full contractual loan will not be recovered. The amount of the impairment loss is recognised in the Income Statement within Other Expenses.

p) Changes in accounting policies

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

q) Derivative Financial Instruments

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

r) Financial Assets

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

s) Standards issued but not yet effective

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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 Notes to the Financial Statements

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 2020.

Make good provision

A provision has been made for the present value of anticipated costs associated with the future restoration of the leased office premises. The estimate of anticipated costs is periodically reviewed and updated. The related carrying amounts are disclosed in Note 17.

Estimate of useful lives

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

Incremental Borrowing Rate

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

Lease Term

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

4. TICKET SALES

	2020	2019
	Consolidated	Consolidated
	\$	\$
Subscriptions	721,055	7,575,123
Single night	853,807	11,969,719
Total ticket sales	1,574,862	19,544,842

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Notes to the Financial Statements

5. FUNDING REVENUE

	2020	2019
	Consolidated	Consolidated
	\$	\$
Australia Council for the Arts	11,863,166	11,676,342
Create NSW	3,352,243	3,352,243
Create NSW - Sydney Opera House Trust Renewal	5,000,000	-
Create NSW - Regional Touring Programme	-	101,840
Federal Government COVID-19 support	4,802,650	-
City of Sydney	15,000	-
 Total funding revenue	 25,033,059	 15,130,425

A significant portion of the Group's annual revenue consists of funding from Federal and State governments, through the Australia Council for the Arts and Create NSW. As a result, the Group has an economic dependency on these entities. The Funding Agreement with the Australia Council for the Arts and Create NSW was current for the period 2019 to 2021.

In the year ended 31 December 2020 and in response to the impact of the COVID-19 pandemic the Group received \$4,702,650 in JobKeeper subsidies in respect of eligible employees and \$100,000 under the cash flow boost administered through the Australian Taxation Office.

6. SPONSORSHIP AND DONATIONS

	2020	2019
	Consolidated	Consolidated
	\$	\$
Sponsorship	401,305	1,223,803
General donations	4,722,323	3,529,518
Bequests	3,012,637	159,192
Trusts & Foundation donations	349,464	494,308
 Total sponsorship and donations	 8,485,729	 5,406,821

7. OTHER INCOME

	2020	2019
	Consolidated	Consolidated
	\$	\$
Orchestral hire income	296,845	787,993
Interest income	311,996	502,295
Other income	90,269	267,846
 Total other income	 699,110	 1,558,134

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Notes to the Financial Statements

8. EXPENSES

	2020	2019
	Consolidated	Consolidated
	\$	\$
Employee expenses:		
Salaries and wages	19,306,665	21,693,726
Superannuation	2,243,630	2,503,543
Other employee expenses	66,753	292,827
 Total employee expenses	 21,617,048	 24,490,096
 Depreciation and amortisation:		
Depreciation of property, plant and equipment	156,461	137,164
Depreciation of right-of-use assets	527,848	416,867
Amortisation of intangible assets	70,535	95,438
 Total depreciation and amortisation	 754,844	 649,469
 Finance costs:		
Interest on Lease Liability	31,864	44,913
 Operating lease rental expense	 -	 120,072

9. INCOME TAX

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

10. OTHER FINANCIAL ASSETS

	2020	2019
	Consolidated	Consolidated
	\$	\$
Current assets		
Employee instrument loans	<u>54,047</u>	73,162
Non-current assets		
Investment securities	3,400,340	3,314,396
Employee instrument loans	121,116	201,309
Total non-current other financial assets	3,521,456	3,515,705

11. TRADE AND OTHER RECEIVABLES

	2020	2019
	Consolidated	Consolidated
	\$	\$
Trade debtors	20,494	584,341
Other receivables	654,282	578,896
Accrued income	107,644	182,304
 Total trade and other receivables	 782,420	 1,345,541

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Notes to the Financial Statements

12. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Plant and equipment	Fixtures and fittings	Musical instruments acquired through the Instrument reserve	Musical instruments acquired	Computer equipment	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2020						
At 1 January 2020, net of accumulated depreciation	145,442	80,012	1,438,087	236,137	65,877	1,965,555
Additions	94,239	-	-	-	20,685	114,924
Disposals	-	-	-	-	-	-
Depreciation charge for the year	(53,459)	(28,999)	-	(32,316)	(41,687)	(156,461)
As at 31 December 2020, net of accumulated depreciation and impairment	186,222	51,013	1,438,087	203,821	44,875	1,924,018
At 31 December 2020						
Cost or fair value	348,600	180,303	1,438,087	549,019	177,536	2,693,545
Less write down – Note 12.1	-	-	-	-	-	-
Cost or Fair Value	348,600	180,303	1,438,087	549,019	177,536	2,693,545
Accumulated depreciation-Note 12.1	(162,378)	(129,290)	-	(345,198)	(132,661)	(769,527)
Less write down – Note 12.1	-	-	-	-	-	-
	(162,378)	(129,290)	-	(345,198)	(132,661)	(769,527)
Net carrying amount	186,222	51,013	1,438,087	203,821	44,875	1,924,018
 At 31 December 2019						
Cost or fair value	254,361	180,303	1,438,087	549,019	156,851	2,578,621
Accumulated depreciation	(108,919)	(100,291)	-	(312,882)	(90,974)	(613,066)
Net carrying amount	145,442	80,012	1,438,087	236,137	65,877	1,965,555

Note 12.1 - During the year, \$nil fully depreciated assets were written off against the related accumulated depreciation as disclosed against the asset class. (2019: \$nil).

13. INTANGIBLE ASSETS - SOFTWARE

	2020	2019
	Consolidated	Consolidated
	\$	\$
At 1 January, net of accumulated amortisation	53,244	146,217
Additions	415,153	2,465
Amortisation charge for the year	(70,535)	(95,438)
As at 31 December, net of accumulated amortisation and impairment	397,862	53,244
 At 31 December		
Cost or fair value- Note 13.1	510,457	290,565
Accumulated Amortisation – Note 13.1	(112,595)	(237,321)
 Cost or fair value carried forward	397,862	53,244

Note 13.1 - During the year, \$195,261 of fully amortised assets were written off against the related accumulated amortisation as disclosed against the asset class. (2019: \$nil).

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14. LEASES

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

a) Right-of-use asset

	2020	2019
	Consolidated	Consolidated
	\$	\$
Year ended 31 December		
At 1 January, net of accumulated depreciation	1,147,301	1,322,028
Additions	-	242,140
Depreciation charge for the year	(527,848)	(416,867)
As at 31 December, net of accumulated depreciation and impairment	619,453	1,147,301
 At 31 December		
Cost at fair value	1,564,168	1,564,168
Accumulated depreciation	(944,715)	(416,867)
Net carrying amount	619,453	1,147,301

b) Lease liabilities

	2020	2019
	Consolidated	Consolidated
	\$	\$
Current: Lease liabilities		
Non-current: Lease liabilities	551,293	673,583
	111,751	663,043
 Total lease liabilities	 663,044	 1,336,626
 At 1 January		
Additions	1,336,626	1,631,151
Interest expense	-	242,140
Lease payments	31,864	44,913
As at 31 December	(705,446)	(581,578)
	663,044	1,336,626

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 Notes to the Financial Statements

14. LEASES (continued)

c) **Lease receivable**

	2020	2019
	Consolidated	Consolidated
	\$	\$
Current: Lease receivable	-	<u>153,137</u>
At 1 January	<u>153,137</u>	<u>309,123</u>
Additions	-	-
Interest receivable	2,108	7,401
Lease receipts	(155,245)	(163,387)
As at 31 December	-	153,137

15. TRADE AND OTHER PAYABLES

	2020	2019
	Consolidated	Consolidated
	\$	\$
Accruals	1,023,156	1,511,644
Trade creditors	669,286	861,949
Other payables	106,275	113,601
Total trade and other payables	1,798,717	2,487,194

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

16. PREPAID REVENUE

	2020	2019
	Consolidated	Consolidated
	\$	\$
Prepaid ticket sales	6,142,867	6,605,071
Prepaid other	629,751	328,283
Total prepaid revenue	6,772,618	6,933,354

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17. PROVISIONS

	2020	2019
	Consolidated	Consolidated
	\$	\$
Current provisions:		
Employee benefits	3,852,154	4,028,631
Make good provision	-	180,719
 Total current provisions	 3,852,154	 4,209,350
 Non-current provisions	 	
Employee benefits	653,813	500,860
Make good provision	180,719	-
 Total non-current provisions	 834,532	 500,860

18. SYMPHONY RESERVE

	2020	2019
	\$	\$
Accumulated reserves at 1 January	3,787,381	3,808,685
 Transfer from retained earnings in relation to:		
Current year bequests	3,012,637	159,192
Future Fund donations	1,390,000	-
 Transfer to retained earnings in relation to:		
Disbursement of bequests	(124,246)	(180,496)
 8,065,772	 3,787,381	

The Symphony Reserve was established under protocols agreed by the Board to raise and accumulate capital to support the aims of the Group and its long-term financial security and to hold restricted use bequests. Transfers to retained earnings are made on disbursement of restricted use bequests.

19. INTERNATIONAL TOURING RESERVE

	2020	2019
	\$	\$
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 2019, the Reserve held no accumulated funds and no funds were raised in either 2019 or in 2020 for International Touring. The Orchestra did not tour internationally in 2019 or 2020.

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Notes to the Financial Statements

20. INSTRUMENT RESERVE

	2020 \$	2019 \$
Accumulated reserves at 1 January	153,797	149,696
Transfer from retained earnings for interest earned	2,280	4,101
Accumulated reserves at 31 December	<u>156,077</u>	<u>153,797</u>

The assets purchased using the Instrument Reserve are included in *Property Plant and Equipment - Musical Instruments*. There were no purchases in 2020 (2019: Nil).

21. COMMISSIONING RESERVE

	2020 \$	2019 \$
Accumulated reserves at 1 January	-	-
Transfer from retained earnings in relation to:		
50 Fanfare donations	191,376	-
Transfer to retained earnings in relation to:		
50 Fanfare expenses	<u>(101,784)</u>	
Accumulated reserves at 31 December	<u>89,592</u>	-

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

22. MATTHEW KREL FUND

	2020 \$	2019 \$
Accumulated balance at 1 January	580,000	580,000
Interest earned	16,820	16,820
Transfer to retained earnings in relation to:		
Matthew Krel Fund	<u>(16,820)</u>	<u>(16,820)</u>
Accumulated balance at 31 December	<u>580,000</u>	<u>580,000</u>

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.

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Notes to the Financial Statements

23. DIRECTORS AND EXECUTIVE DISCLOSURES

a) Details of key management personnel

The names of each person holding the position of Director or Executive Director of the Group during the financial period are listed in the Directors' Report. Unless otherwise stated in the Directors' Report, the Directors have been in office for the financial period.

b) Compensation of key management personnel

	2020	2019
	Consolidated	Consolidated
	\$	\$
Total Compensation	810,659	863,708

Payments were made to three (2019: 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.

24. RELATED PARTIES

a) Directors - Transactions with Directors

Ms Emma Dunch, a Director of the Group, was a Director of Symphony Services Australia Limited ('SSA') during the year. During the year, SSA provided orchestral services to the Group totalling \$519,164 (2019: \$3,712,190) including provision of artist services, artist liaison support and music library services. As well, during the year SSA paid the Group a licence fee for use of serviced premises amounting to \$158,687 (2019: \$173,789).

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

25. COMMITMENTS AND CONTINGENCIES

- a) Operating lease (non-cancellable): the Group has no significant non-cancellable operating lease commitments as at 31 December 2020 (2019: 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 2021-2024 (2019: 2020-2024). These amounts include the expenditure required to satisfy the contracts with the artists.

	2020	2019
	Consolidated	Consolidated
	\$	\$
Not later than one year	732,000	493,500
Later than one year and not later than five years	1,548,000	2,114,500
	<hr/>	<hr/>
	2,280,000	2,608,000

25. 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. (2019: \$302,000).
- ii. credit collateral on advertising contracts for \$200,000 (2019: \$200,000).

No liability is expected to arise from these guarantees.

26. FINANCIAL INSTRUMENTS

a) Fair value

The Group has used the Level 2 method in estimating the fair value of its financial instruments. The fair value of financial instruments is derived using valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation. The fair value of financial assets and financial instruments, and the methods used to estimate the fair value are summarised in point (e) below.

b) Credit risk exposure

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument. The Group's maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet and related notes. The carrying value of financial assets may be affected by changes in the credit risk of the counterparty.

c) Liquidity statement

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

d) Sensitivity analysis

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

e) Derivative financial instruments

(i) Forward currency contracts – cash flow hedges

The Group purchases the services of artists under contracts denominated in foreign currencies. To protect against exchange rate movements and to provide certainty against future cash flows, The Group enters into forward currency contracts to purchase foreign currencies when appropriate. The forward currency contracts are considered to be highly effective hedges as they are matched against forecast purchases and any gain or loss on the contracts attributable to the hedged risk is taken directly to equity. When the service is delivered, the amount recognised in equity is adjusted to artist's fees and expenses in the Income Statement. The fair value of the derivative financial instruments is calculated using quoted prices in active markets. As at the reporting date there are no forward currency contracts (2019: none).

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 Notes to the Financial Statements

26. FINANCIAL INSTRUMENTS (continued)

(ii) Investment securities

The Group purchases investment securities in accordance with its Investment Policy. The fair value of investment securities is calculated by reference to the value that the instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale. The fair value of investment securities at the balance date is \$3,457,043 (2019: \$3,462,167) inclusive of accrued interest receivable. During the period, a gain of \$94,313 was taken to other comprehensive income (2019: nil).

Valuation Technique Market Observable Inputs (Level 2)	2020	2019
	\$	\$
Assets/Liabilities		
Investment securities (note 10)	3,400,340	3,314,396
Forward currency contracts – cash flow hedges	-	-
	<hr/>	<hr/>
	3,400,340	3,314,396
	<hr/>	<hr/>

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

	2020	2019
	\$	\$
Current assets	-	-
Non-current assets	8,578,559	7,082,084
Total assets	<hr/>	<hr/>
Current liabilities	8,578,559	7,082,084
Total liabilities	<hr/>	<hr/>
Net assets	330	330
Net assets	<u>8,578,229</u>	<u>7,081,754</u>
Equity		
Retained earnings	8,578,229	7,081,754
Total equity	<u>8,578,229</u>	<u>7,081,754</u>
Profit or loss of Parent Entity	1,496,475	(501,630)
Total comprehensive income of parent Group	<hr/>	<hr/>
	1,496,475	(501,630)

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 2020, set out on pages 14 to 38, are in accordance with the *Australian Charities and Not For Profits Commission Act 2012*, including:
 - i. giving a true and fair view of their financial position as at 31 December 2020 and performance for the year ended on that date;
 - ii. complying with Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not For Profits Commission Regulations 2013*; and
- b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors



Terrey Arcus AM
Chairman

Sydney, 28 April 2021



Karen Moses
Director

Sydney, 28 April 2021



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 entities (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 2020 and of its financial performance for the year then ended, and
- (b) complying with Australian Accounting Standards 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 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declarations.

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.

PricewaterhouseCoopers, ABN 52 780 433 757

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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 2020, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed 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 and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial report

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



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'E A Barron'.

E A Barron
Partner

Sydney
28 April 2021