West Australian Symphony Orchestra

WASO Holdings Ltd

A.B.N. 22 122 779 739

Annual Financial Report

31 December 2019

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Annual Financial Report 31 December 2019 ACN 122 779 739

The directors present their report together with the financial report of WASO Holdings Ltd (the 'Company') and of the Group, being the Company and its controlled entities for the year ended 31 December 2019 and the independent auditor's report thereon.

DIRECTORS

The directors, at any time during or since the financial year, are:

Richard James Barr Goyder (Chairman)	Appointed 27 March 2018	
Janet Lee Holmes à Court	Appointed 27 January 1998	Resigned 20 February 2020
Barrie Le Pley (Deputy Chairman)	Appointed 31 March 1999	
Keith Kessell	Appointed 11 June 2007	
Anne Lesley Nolan	Appointed 21 March 2012	
Robert Paul Shannon	Appointed 24 October 2013	
Marguerite Eileen O'Neill	Appointed 17 April 2019	
Sara Ann Macliver (Bevan)	Appointed 29 August 2019	

QUALIFICATIONS AND EXPERIENCE OF DIRECTORS

Dr Richard James Barr Goyder AO (HonD.Com, B.Com)
Richard Goyder AO is the chairman of Woodside Petroleum Ltd, Qantas Airways Ltd, and the AFL Commission. He also chairs JDRF Australia, WASO Holdings Ltd, WA Venues & Events Pty Ltd, WASO Endowment Fund for the Orchestra Pty Ltd and the Channel 7 Telethon Trust. Formerly he was Chairman of the Australian B20 (the key business advisory body to the international economic forum which includes business leaders from all G20 economies).

Richard was the Managing Director and CEO of Wesfarmers Limited from July 2005 to November 2017. He also previously held the roles of Finance Director between 2002 and 2004, and Deputy Managing Director and CFO between 2004 and 2005.

Janet Holmes à Court AC
Janet Holmes à Court is owner of the Janet Holmes à Court Collection. She is Chair of the Australian Children's Television Foundation (ACTF) and the Art Gallery of WA (AGWA). She is a Board Member of WASO Holdings Ltd, WA Venues & Events Pty Ltd, WASO Endowment Fund for the Orchestra Pty Ltd, the Australian National Academy of Music (ANAM) and the Australian Institute of Architects Foundation (AIAF). Janet is also a member of the Centenary Trust for Women Board of Advisors at the University of Western Australia, the State Buildings Advisory Board Western Australia and Commissioner for Australia for the Venice Architecture Biennale.

Barrie Le Pley (BA, MBA)
After 20 years as a banker engaged principally in international arbitrage and international corporate finance, Mr Le Pley now devotes much of his time to two businesses of which he is chairman. Le Pley Properties develops and owns commercial property principally in Australia, Germany and China. Sanur Pty Ltd is the holding company for Le Pley Properties. Seacrest Asset Pty Ltd invests in private as well as listed companies in Europe.

Barrie is a Foundation Benefactor of the Art Gallery of Western Australia, a Life Member of the Beta Gamma Sigma Society, a member of the Strategic Resources Committee and the Investment Committee of the University of Western Australia, Chevalier de Confrérie (Vougeot), Author of *Margaret River Style* and a Director of WASO Holdings Ltd, WA Venues & Events Pty Ltd and WASO Endowment Fund for the Orchestra Pty Ltd.

Keith Kessell
Keith Kessell has considerable experience in media and government relations, policy development and issues management.

He was a senior executive at Wesfarmers Limited until his retirement in 2008 from the position of Executive General Manager, Corporate Affairs. His responsibilities included oversight of the Wesfarmers Arts programme. From the middle 1980s until 1993 Keith worked as a senior adviser in federal politics. He began his career as a journalist with West Australian Newspapers and also worked at ABC radio in Perth.

Keith is a Director of WASO Holdings Ltd, WA Venues & Events Pty Ltd. and WASO Endowment Fund for the Orchestra Pty Ltd.

Anne Nolan (B.Econ, MEc)
Anne Nolan is an economist with extensive leadership and management experience. She has broad public policy experience in economics, energy, industry and resource development, tax, intergovernmental relations and government trading enterprises.

Positions Anne has previously held include Director General Department of Finance and Department of State Development; Deputy Director General Department of the Premier and Cabinet; Coordinator of Energy and Executive Director (Economics) at the Department of Treasury.

Anne is currently on the Boards of WASO Holdings Ltd, WA Venues & Events Pty Ltd, WASO Endowment Fund for the Orchestra Pty Ltd, Australian Energy Market Operator and University of Western Australia Business School. She also is an Adjunct Professor at the University of Western Australia.

Paul Shannon (B.Com, FCPA, GAICD)
Paul has extensive experience working in managerial and executive roles within the mining industry, primarily in financial and commercial roles. He was most recently a senior executive at Rio Tinto, including eight years as Chief Financial Officer of Rio Tinto Iron Ore.

Over his career Paul has had responsibility for leading and driving outcomes in accounting and finance, business development, analysis and planning, strategy, transformation, joint venture management, risk management and warehouse and logistics.

Paul has widespread board experience having previously been the Chairman of the Iron Ore Company of Canada, a board member of various mining companies and of a number of Chinese, Japanese and Australian mining joint ventures. He is also a former member of the General Council of the Chamber of Commerce and Industry of Western Australia.

Paul is currently on the Boards of WASO Holdings Ltd, WA Venues & Events Pty Ltd. and WASO Endowment Fund for the Orchestra Pty Ltd.

Meg O'Neill (BS Ocean Engineering, BS Chemical Engineering MS Ocean Systems)
Meg O'Neill is the Executive Vice President Development for Woodside Petroleum, responsible for design and execution of onshore and offshore capital projects, the engineering function, Browse, Scarborough and Senegal. Meg joined Woodside as Chief Operations Officer in May 2018. Previously, Meg held senior roles for ExxonMobil, including regional production and development leadership positions, and country leadership positions in Norway and Canada.

Meg is currently on the Boards of WASO Holdings Ltd, WA Venues & Events Pty Ltd. and WASO Endowment Fund for the Orchestra Pty Ltd, AMMA (Australian Mines and Metals Association), APPEA (Australian Petroleum Production and Exploration Association), the University of Western Australia Business School and the LNG Marine Fuel Institute

Dr Sara Macliver (BMusEd (Hons), HonD.Music)
Sara Macliver is a soprano with over 30 years experience. She is a regular performer with all of the Australian Symphony Orchestras and is considered to be a leading exponent in Baroque repertoire. She performs extensively throughout Australia and overseas with orchestras, choirs and chamber groups. Sara records with ABC Classics and has more than 35 CD's and many awards to her credit, including an Aria and two Helpmann nominations.

Sara has been awarded an Honorary Doctorate from the University of Western Australia for her services to singing. She currently holds a part-time position at the University as a Lecturer in Voice. Sara is a Patron of West Australian Youth Voyces (WAYV) and has been involved with the Australian String Quartet and Perth Choral Institute (PCI) in an advisory capacity.

Sara is currently on the Boards of WASO Holdings Ltd, WA Venues & Events Pty Ltd. and WASO Endowment Fund for the Orchestra Pty Ltd.

PRINCIPAL ACTIVITIES

The Vision of WASO is "To touch souls and enrich lives through music".
The principal activity of the Company and its subsidiaries, West Australian Symphony Orchestra Pty Ltd and WA Venues & Events Pty Ltd (together referred to as the "Group") during the year was the performance of symphonic music and the management of the Perth Concert Hall and its ticketing operations. There were no significant changes in the nature of the activities of the Group during the year.

REVIEW AND RESULTS OF OPERATIONS

The loss for the Group for the year ended 31 December 2019 was $102,480 (year ended 31 December 2018: profit $409,249).

The operations of West Australian Symphony Orchestra Pty Ltd are dependent on funding received from the Commonwealth and State governments through WASO Holdings Ltd. This funding, along with sales, sponsorship and philanthropic revenue, was used to present performances of symphonic music.

The operations of WA Venues and Events Pty Ltd are dependent on funding received from the State Government of Western Australia the Perth Theatre Trust and an operating subsidy received from the Perth City Council via the Perth Theatre Trust. This funding, along with sales, and ticketing revenues was used to operate and maintain the Perth Concert Hall.

The Group presented the West Australian Symphony Orchestra and the Education Chamber Orchestra (EChO) in performances, workshops and artist development activities to more than 203,000 people during the year ended 31 December 2019. The total of 1222 performances includes 1013 classes in the Crescendo program which remains the only long-term sustainable El Sistema inspired music education program in Western Australia. The performances also include pit services for the West Australian Ballet and West Australian Opera companies. Orchestral performances were principally presented at the Perth Concert Hall & His Majesty's Theatre. Performances were also presented at several other venues and schools both in Perth and in regional centres.

In addition, the group continued to manage the operations of the Perth Concert Hall reaching over 191,000 patrons and attracting a diverse number of performers, promoters and other organisations, to utilise the array of facilities available at the venue.

RESERVES POLICY

The terms and conditions of the Multi-partite Funding Agreement between the Group, the Australian Government through Australia Council and the Government of Western Australia through its Department of Local Government, Sport and Cultural Industries, requires the Group to agree to work towards maintaining reserves at a minimum level of 20% of annual expenditure. The Group has achieved reserves at a minimum of 20% of annual expenditure and plans to continue to maintain this level. At 31 December 2019 the reserves level was 25% (year ended 31 December 2018: 25%).

STATE OF AFFAIRS

There were no significant changes in the underlying state of affairs of the Group that occurred during the financial year under review.

EVENTS SUBSEQUENT TO REPORTING DATE

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020 which has seen the closure of Australian borders from 20 March, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

The Group has suspended its concert performances and operation of the Perth Concert Hall and has taken steps to reduce cash out flows associated with its activities. Management are in continuing discussions with Commonwealth and State Government funding bodies with respect to the Group's grant funding arrangements. The Group continues to monitor developments in the COVID-19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Whilst Directors do not anticipate the impacts of COVID-19 to materially impact the ability of the Group to continue as a going concern, given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on the Group's go forward consolidated results of operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in the Group's 2020 annual financial statements.

LIKELY DEVELOPMENTS

The Group will continue to present performances of music and manage the Perth Concert Hall during the next financial year. The Group's continuing success is dependent on increasing its current level of government funding, corporate sponsorship, philanthropy and ticket sales, and its ability to attract promoters to the Perth Concert Hall.

CAPITAL

The company is limited by guarantee and does not have any shares on issue.

DIRECTORS' MEETINGS

The number of directors' meetings held during the year ended 31 December 2019 and the number of meetings attended by each director were as follows:

Directors	**Board**		**Finance, Audit and Risk Committee**		**Nomination and Remuneration Committee**	
	A	**B**	**A**	**B**	**A**	**B**
R J B Goyder	6	6	-	-	1	1
B Le Pley	6	6	5	7	1	1
J L Holmes à Court	5	6	-	-	1	1
A L Nolan	5	6	7	7	-	-
K M Kessell	6	6			1	1
R P Shannon	6	6	7	7	-	-
M E O'Neill	3	5	-	-	-	-
S A Macliver (Bevan)	2	2	-	-	-	-

Column A - indicates the number of meetings attended
Column B - indicates the number of meetings held during a director's membership

DIRECTORS' REMUNERATION

Directors are not paid any fees for their services as directors of the company.
Details of remuneration of other key management personnel are disclosed in Note 18.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company, through Director Protection Deeds, indemnified all directors against any liability to any person (other than the Company or a Related Body Corporate of the Company), incurred as a director or employee of the Company or its subsidiary. The indemnity does not extend to any claim arising out of conduct involving a lack of good faith or breach of duty.

During the year, the Group has paid premiums in respect of directors' and officers' liability, legal expenses and insurance contracts for the period ended 31 December 2019. Since the end of the year, the Group has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 31 December 2020. Such insurance contracts insure persons who are or have been directors or officers of the Company and its subsidiary against certain liabilities (subject to certain exclusions).

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

Auditor's Independence
The Directors have received a declaration of independence from the auditors. This declaration can be found on page 32 and forms part of this report.

Signed in accordance with a resolution of the directors:

Richard Goyder AO
Chairman

Perth, dated 16 April 2020

	Notes	2019	2018 *
		$	$
Revenue			
Funding revenue	4	**10,743,936**	10,715,410
Event revenue	5	**7,253,030**	7,732,292
Sponsorship and donations revenue	6	**4,233,876**	4,688,156
Other revenue	7	**231,928**	366,686
Total revenue		**22,462,770**	23,502,544
Expenses			
Employee expenses	9	**15,404,806**	15,409,543
Artist fees and expenses		**2,078,821**	2,312,015
Marketing expenses		**953,914**	1,078,125
Maintenance Expenses		**175,852**	166,416
Production expenses		**1,240,262**	1,418,708
Depreciation & amortisation	9	**471,206**	319,601
Rental expense	9	**74,268**	215,695
Symphony Services International service fees		**236,441**	236,441
Insurance		**71,167**	57,673
Other expenses		**1,916,167**	2,028,838
Total expenses		**22,622,904**	23,243,055
Results from operating activities		**(160,134)**	259,489
Net Finance Income	8	**57,654**	149,760
(Loss) / profit for the year		**(102,480)**	409,249
Other Comprehensive Income			
Net change in fair value of available for sale assets		**-**	-
Total comprehensive (loss) / income for the year		**(102,480)**	409,249

* The Company initially applied AASB 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 is recognised in retained earnings at the date of initial application.

West Australian Symphony Orchestra

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2019

	Notes	**2019**	2018 *
		$	$
Assets			
Current assets			
Cash and cash equivalents	18a	**2,719,919**	2,935,732
Other financial assets	17	**7,136,034**	6,507,903
Trade and other receivables	10	**852,733**	695,903
Inventories		**68,873**	48,963
Prepayments		**388,676**	783,158
Total current assets		**11,166,235**	10,971,659
Non-current assets			
Property, plant and equipment	11	**1,318,343**	968,300
Intangible Assets	12	**367,302**	489,588
Other financial assets	17	**41,323**	43,768
Total non-current assets		**1,726,968**	1,501,656
Total assets		**12,893,203**	12,473,315
Liabilities			
Current liabilities			
Trade and other payables	13	**2,012,794**	2,546,460
Prepaid revenue	14	**2,520,875**	1,986,154
Loans and borrowings	15	**119,227**	-
Provisions	16	**2,234,518**	2,161,973
Total current liabilities		**6,887,414**	6,694,587
Non-current liabilities			
Loans and borrowings	15	**316,595**	-
Provisions	16	**34,400**	21,454
Total non-current liabilities		**350,995**	21,454
Total liabilities		**7,238,409**	6,716,041
Net Assets		**5,654,794**	5,757,274
Equity			
Retained Profits		**5,654,794**	5,757,274
Total Equity		**5,654,794**	5,757,274

* The Company initially applied AASB 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 is recognised in retained earnings at the date of initial application.

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

	Retained Profits	Asset Fair Value Reserve	Total Equity
	$	$	$
As at 1 January 2018	5,347,265	760	5,348,025
Comprehensive income for the year			
Net profit	409,249	-	409,249
Reclassification of FV Reserve on sale of investments	760	(760)	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	410,009	(760)	409,249
As at 31 December 2018	5,757,274	-	5,757,274
Comprehensive income for the year			
Net loss	**(102,480)**	**-**	**(102,480)**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income for the year	**(102,480)**	**-**	**(102,480)**
As at 31 December 2019	**5,654,794**	**-**	**5,654,794**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Notes	2019 $	2018 $
Cash flows from operating activities			
Cash receipts from customers		**7,029,546**	7,408,725
Cash receipts from sponsors and other private sector		**2,287,327**	2,282,688
Cash receipts from donors		**1,443,032**	1,982,262
Cash payments to suppliers and employees		**(21,831,236)**	(22,225,868)
Grants received from government funding bodies		**11,634,252**	10,550,410
Net cash provided by / (used in) operating activities	18b	**562,921**	(1,783)
Cash flows from investing activities			
Interest received		**133,174**	210,683
Dividends received		**-**	35,008
Proceeds from disposal of available for sale assets		**-**	239,909
Payments for intangible assets		**(36,825)**	(186,508)
Transfers (from) / to term deposits / escrow		**(626,545)**	(1,124,975)
Payments for property, plant and equipment		**(112,920)**	(136,590)
Net cash flows (used in) investing activities		**(643,116)**	(962,473)
Cash flows from financing activities			
Employee instrument loans granted		**(40,404)**	-
Proceeds from repayments on employee instrument loans		**43,054**	38,755
Payments relating to lease liabilities		**(138,268)**	-
Net cash flows (used in) / provided by financing activities		**(135,618)**	38,755
Net (decrease) / increase in cash held		**(215,813)**	(925,501)
Cash and cash equivalents at beginning of the period		**2,935,732**	3,861,233
Cash and cash equivalents at end of the period	18a	**2,719,919**	2,935,732

1. Corporate information

WASO Holdings Ltd (the Company) is a public company limited by guarantee, incorporated and domiciled in Australia. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

The nature of the operations and principal activities of the Group was the performance of symphonic music and the management of the Perth Concert Hall. The group is a not for profit organisation registered under the Australian Charities and Not-for-profits Commission (ACNC).

The financial statements were authorised for issue by the Board of Directors on 16 April 2020.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) and interpretations adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.

This is the first set of the Group's annual financial statements in which AASB 16 Leases, AASB 15 Revenue and AASB 1058 Income of Not-for-Profit entities has been applied. Changes to significant accounting policies are described in note 2d.

b) Basis of measurement

The consolidated financial report is prepared on a historical cost basis, except for available for sale financial assets measured at fair value, and presented in Australian dollars.

c) Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts in the financial statements. Actual results may differ from these estimates. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. 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.

Estimate of Useful Lives

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

d) Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Group has adopted AASB 15 revenue from contracts with customers and AASB 1058 income of not for profit entities for the first time on 1 January 2019. The adoption of these standards did not have any material impact on the current or comparative period.

The Group also applied AASB 16 Leases with a date of initial application of 1 January 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

2. Basis of preparation (continued)
d) Changes in accounting policies (continued)

The Group applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information for 2018 is not restated. i.e. it is, as previously reported, under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below.

i) Definition of a lease
Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 *Determining whether an arrangement contains a lease*. Under AASB 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 3 l).

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 January 2019.

ii) As a lessee
As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases - i.e. these leases are on-balance sheet.

For leases of other assets, which were classified as operating under AASB 117, the Group now recognises right-of-use assets and lease liabilities.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under AASB 117

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

The Group used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Group did not carry any leases previously classified as finance leases at 1 January 2019.

2. Basis of preparation (continued)
d) Changes in accounting policies (continued)

iii). Impact on financial statements
Impact on transition*
On transition to AASB 16, the Group recognised additional right-of-use assets, including investment property, and additional lease liabilities. The impact on transition is summarised below.

	1 January 2019
Right-of-use assets - property, plant and equipment	549,217
Lease liabilities	549,217
Retained earnings	0

- For the impact of AASB 16 on profit or loss for the period, see Note 3 l) (ii). For the details of accounting policies under AASB 16 and AASB 117. see Note 3 l).

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The rate applied is 5%.

	1 January 2019
Operating lease commitments at 31 December 2018 as disclosed under IAS 17 in the Group's consolidated financial statements	275,644
Discounted using the incremental borrowing rate at 1 January 2019	200,247
- Extension options reasonably certain to be exercised	348,970
Lease liabilities recognised at 1 January 2019	549,217

3. Significant accounting policies
The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

a) Basis of consolidation
The consolidated financial statements comprise the financial statements of WASO Holdings Ltd and its subsidiaries as at year end.

In preparing the consolidated financial statements, all intercompany 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) Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Funding revenue
Funding revenue for West Australian Symphony Orchestra Pty Ltd (WASOPL) is received from the Australia Council for the Arts (represented by the Major Performing Arts Board) and the State of Western Australia through its Department of Local Government, Sport and Cultural Industries. Funding is received based on payment schedules contained in a funding agreement between the funding bodies and WASO Holdings Ltd and is recognised in accordance with the terms of the agreement due to the conditional nature of the funding. Any funding not spent on the planned activities agreed between the parties at the start of each calendar year is required to be repaid. Special purpose funding, which requires the Group to fulfil an obligation outside its normal operations, is recognised at the time the obligation is fulfilled.

3. Significant accounting policies (continued)
b) Revenue recognition (continued)

Funding revenue for WA Venues and Events Pty Ltd is received from the State of Western Australia through the Perth Theatre Trust. An operating subsidy is payable by the City of Perth as per the lease agreement between the City of Perth and the Perth Theatre Trust. Funding is received based on payment schedules contained in a funding agreement between Perth Theatre Trust and the Company and is recognised in accordance with the terms of the agreement due to the conditional nature of the funding.

Venue Services
Venue services revenue is recognised in the Statement of Profit or Loss and other Comprehensive Income at the time of invoicing a hirer post the performance of an event.

Ticketing Services
Ticketing services revenue is recognised in the Statement of Profit or Loss and other Comprehensive Income at the time of receipt.

Sales
Revenue from ticket sales, food and beverage sales and hire sales is recognised in the Statement of Profit or Loss and other Comprehensive Income at the time of concert or event performance. Revenue from 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”.

While the group makes ticket sales on an agency basis, amounts collected on behalf of venue hirers are recorded in Trade and other payables until payment is made to the venue hirer.

Sponsorship and Donations revenue
Sponsorship
Sponsorship commitments are brought to account as income in the year in which sponsorship benefits are bestowed.

Donations
All donations are brought to account as received.

Finance income
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend income is recognised as it is declared and is grossed up to include any relevant Franking Credits.

c) Foreign currency translation
Both the functional and presentation currency of the Company and its subsidiaries is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated 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 Statement of Profit or Loss and other Comprehensive Income.

3. Significant accounting policies (continued)

d) Income Tax and other taxes
The Company and its subsidiaries are exempt from income tax, capital gains tax and payroll tax by virtue of being cultural organisations established for the encouragement of music and charitable institutions.

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 of an item of 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 in the statement of cash flows on a gross basis. 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.

e) Acquisitions of assets
Acquired assets are accounted for at cost. Cost is measured as the fair value of assets given or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

f) Cash and cash equivalents
Cash and cash equivalents include cash at bank and 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 which are subject to an insignificant risk of changes in value.

g) Equity Investments
The Group's investments in equity securities are classified as fair value through other comprehensive income (FVOCI) – equity investments and are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, they are measured at fair value and gains or losses are recognised in other comprehensive income and presented in the fair value reserve in equity. The amounts recognised in other comprehensive income are not reclassified to profit and loss under any circumstances.

h) Trade receivables
Trade receivables, which generally have 14 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The Group measures loss allowances at an amount equal to lifetime expected credit losses (ECLs).

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative

information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

3. Significant accounting policies (continued)
h) Trade receivables (continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.
Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

i) 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 Statement of Profit or Loss and other Comprehensive Income during the financial period in which they are incurred.

Items of plant and equipment, leasehold improvements, computer equipment, musical instruments, music library items and motor vehicles are depreciated using the straight-line method over their estimated useful lives. Each class of asset in the current period was depreciated over the following useful lives:

Asset class	Useful life
Leasehold improvements	Between 3 and 6 years or the term of the lease
Musical instruments	15 years
Computer equipment	Between 3 and 5 years
Staging & other equipment	Between 3 and 15 years
Music library	33 years
Motor vehicles	5 years

j) Intangible assets
Intangible assets comprise software licences and capitalised information technology development costs and web-site development costs. These assets have a finite useful life and are carried at cost less accumulated amortisation and impairment losses and 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 to 10 years.

k) Impairment
The carrying values of plant and equipment are reviewed for 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 plant and equipment is the greater of fair value less costs to sell and value in use. Value in use shall be determined as the depreciated replacement cost of the asset. Impairment losses are recognised in the statement of Profit or Loss and other Comprehensive income.

3. Significant accounting policies (continued)

l) Leases
(i) At inception of a contract, the Company assesses whether a 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset- this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    - the Company has the right to operate the asset; or
    - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:
- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
    - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
    - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
    - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot

3. Significant accounting policies (continued)
l) Leases (continued)

be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position (see (ii)).

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company held no finance leases in the comparative period.

(ii)

'Property, plant and equipment' comprise owned and leased assets that do not meet the definition of investment property.

	Note	2019
Property, plant and equipment owned	11	893,476
Right of use assets		424,866
		1,318,342

The only right of use asset leased by the Group is office space. The lease of office space runs for a period of 2 years, and includes an option to renew the lease for an additional 3 years.

Right of use asset	
2019	
Balance at 1 January	549,217
Depreciation charge for the year	124,351
	424,866

There were no additions to the right of use asset during 2019

West Australian Symphony Orchestra

3. Significant accounting policies (continued)
l) Leases (continued)

Lease liabilities	2019
Maturity analysis - contractual undiscounted cash flows	
Less than one year	138,268
One to five years	334,148
More than five years	Nil
Total undiscounted lease liabilities at 31 December	472,416
Lease liabilities included in the statement of financial position at 31 December	
Current	119,227
Non-current	316,595

Amounts recognised in profit or loss	2019
Interest on lease liabilities	24,873
Variable lease payments not included in the measurement of lease liabilities	44,706

Amounts recognised in the statement of cash flows	2019
Total cash outflow for leases	138,268

m) Trade and other payables
Trade payables and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

n) Employee benefits
Wages and salaries
The provisions for employee benefits to wages and salaries represent the amount which the Group has a present obligation to pay resulting from employees' services provided up to the reporting date. The provisions have been calculated at undiscounted amounts based on wage and salary rates which are expected to be paid when the liability is settled and include related on-costs.

Superannuation plans
The Group contributes to employee's superannuation plans. All such superannuation plans are defined contribution plans. Employer contributions are expensed against income as they are made.

Long service and annual leave
The long service and annual leave liability represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date. Liabilities for employee benefits which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at reporting date which most closely match the terms of maturity of the related liabilities. In determining the liability for employee benefits, consideration is given to future increases in wage and salary rates, and the Group's experience with staff departures. Related on-costs have also been included in the liability.

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 and measured at amortised cost.

3. Significant accounting policies (continued)

o) Investment in subsidiary
Investments in a subsidiary are initially accounted for at cost being the fair value at the date of acquisition. After initial recognition, investments are carried at cost less any provision for impairment.

p) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

q) Other financial assets
Other financial assets comprise restricted cash, term deposits with maturities longer than 3 months and available for sale financial assets.

4 Funding revenue	**2019** **$**	2018 $
Australia Council for the Arts		
Base funding	**7,382,366**	7,266,107
Arts Project SSPT Carnival of the Animals	**-**	100,000
Department of Local Government, Sport and Cultural Industries		
Base funding	**2,274,834**	2,274,833
Additional hall hire funds	**165,000**	165,000
Regional Touring	**187,442**	177,520
Perth Theatre Trust		
PCH management funding	**500,000**	500,000
Lease Grant	**234,294**	231,950
Total funding revenue	**10,743,936**	10,715,410

The Group has a three year Multi-partite Funding Agreement securing base funding from the Australia Council for the Arts and the State of Western Australia through its Department of Local Government, Sport and Cultural Industries which commenced on 1 January 2019 for a three year period.

Funding is initially provided to WASO Holdings Ltd and is subsequently provided to West Australian Symphony Orchestra Pty Ltd under a separate funding agreement between the parent company and its subsidiary.

Funding revenue for WA Venues and Events Pty Ltd is received from the Perth Theatre Trust. An operating subsidy is also payable by the Perth Theatre Trust as per the lease agreement between the City of Perth and the Perth Theatre Trust. A funding agreement was negotiated in 2018 which secures funding through to October 2021.

5 Event revenue

	2019 $	2018 $
Subscription ticket sales	**1,908,059**	2,093,771
Single ticket sales	**3,186,559**	3,628,254
Venue hire revenue	**1,497,144**	1,450,193
Ticketing services	**661,268**	560,074
Total event revenue	**7,253,030**	7,732,292

6 Sponsorship and donations revenue

	2019 $	2018 $
Sponsorship	**2,390,324**	2,705,894
Donations	**1,843,552**	1,982,262
Total sponsorship and donations revenue	**4,233,876**	4,688,156

7 Other revenue

	2019 $	2018 $
Orchestral hire revenue	**190,416**	185,055
Other income	**41,512**	181,631
Total other revenue	**231,928**	366,686

8 Finance income and finance expenses

	2019 $	2018 $
Finance income:		
Interest income	**167,383**	197,347
Dividend income	**-**	35,008
	167,383	232,355
Finance expenses:		
Interest on lease liability	**(24,873)**	-
Banking fees	**(84,856)**	(82,595)
	(109,729)	(82,595)
Net finance income	**57,654**	149,760

9 Expenses

	2019	2018
	$	$
The net profit from operating activities has been arrived at after charging the following items:		
Depreciation:		
Leasehold Improvements	**5,846**	2,008
Musical Instruments	**80,895**	86,183
Music Library Scores	**6,198**	6,101
Computers	**21,517**	26,106
Plant & Equipment	**73,288**	67,868
Leases	**124,351**	-
	312,095	188,266
Amortisation of Intangible Assets	**159,111**	131,335
Total Depreciation and Amortisation	**471,206**	319,601
Rental expense	**74,268**	215,695
Employee expenses:		
Salaries and wages	**13,401,570**	13,358,692
Superannuation	**1,531,634**	1,532,265
Workers compensation	**240,284**	238,219
Other employee expenses	**231,318**	280,367
Total employee expenses	**15,404,806**	15,409,543

10 Trade and other receivables

a) Trade and other receivables

	2019	2018
	$	$
Current		
Trade debtors	**588,729**	619,293
Provision for impairment loss	**-**	(17,548)
Carrying amount of trade receivables	**588,729**	601,745
Accrued revenue	**264,004**	94,158
Total current receivables	**852,733**	695,903
Total trade and other receivables	**852,733**	695,903

b) Past due but not impaired

	2019	2018
Trade debtors ageing		
0 to 14 days	**535,204**	539,650
15 to 60 days	**42,343**	51,648
61 to 90 days	**550**	3,320
Over 90 days	**10,632**	7,127
Total trade debtors	**588,729**	601,745

As of the balance date, trade debtors over 14 days were past due but not considered to be impaired (other than the trade debtors totalling $17,548) as there is no objective evidence at reporting date to indicate that the Group will not be able to collect all amounts due.

10. Trade and other receivables (continued)

c) Fair Value

Due to the short term nature of these receivables, the carrying value is considered to approximate their fair value.

11 Property, plant and equipment

Reconciliation of carrying amounts at the end of the year

Year ended 2019	*Leasehold Improvements* $	*Musical instruments* $	*Music Library Scores* $	*Computers* $	*Right of use asset* $	*Motor Vehicles & Equipment* $	*Total* $
At 1 January 2019, net of accumulated depreciation and impairment	7,267	550,106	128,607	50,282	-	232,038	968,300
Additions	9,352	36,112	402	5,300	549,217	61,754	662,137
Disposals	-	-	-	-	-	-	-
Depreciation expense	(5,846)	(80,895)	(6,198)	(21,517)	(124,351)	(73,288)	(312,095)
Balance at 31 December 2019 net of accumulated depreciation	**10,773**	**505,323**	**122,811**	**34,065**	**424,866**	**220,504**	**1,318,342**
At 2019							
Cost	290,657	1,267,744	194,283	212,781	549,217	716,183	3,230,865
Accumulated depreciation	(279,884)	(762,421)	(71,472)	(178,716)	(124,351)	(495,679)	(1,912,523)
Closing balance	**10,773**	**505,323**	**122,811**	**34,065**	**424,866**	**220,504**	**1,318,342**

Year ended 2018	*Leasehold Improvements* $	*Musical instruments* $	*Music Library Scores* $	*Computers* $	*Right of use asset* $	*Motor Vehicles & Equipment* $	*Total* $
At 1 January 2018, net of accumulated depreciation and impairment	-	608,419	129,759	33,750	-	248,048	1,019,976
Additions	9,275	27,870	4,949	42,638	-	51,858	136,590
Disposals	-	-	-	-	-	-	-
Depreciation expense	(2,008)	(86,183)	(6,101)	(26,106)	-	(67,868)	(188,266)
Balance at 31 December 2018 net of accumulated depreciation	7,267	550,106	128,607	50,282	-	232,038	968,300
At 2018							
Cost	281,305	1,231,632	193,881	265,222	-	654,429	2,626,469
Accumulated depreciation	(274,038)	(681,526)	(65,274)	(214,940)	-	(422,391)	(1,658,169)
Closing balance	7,267	550,106	128,607	50,282	-	232,038	968,300

12 Intangible Assets	**2019**	2018
	$	$
As at 1 January net of accumulated amortisation and impairment	**489,588**	434,415
Additions	**36,825**	186,508
Disposals	**-**	-
Amortisation charge for the year	**(159,111)**	(131,335)
As at 31 December, net of accumulated amortisation and impairment	**367,302**	489,588
As at 31 December		
Cost	**1,002,675**	1,109,698
Accumulated amortisation	**(635,373)**	(620,110)
Net carrying amount	**367,302**	489,588

Intangible Assets comprises costs capitalised relating to the development of the Group's billing platform, general ledger and payroll systems.

13 Trade and other payables	**2019**	2018
	$	$
Accruals	**315,753**	242,977
Advance hirer ticket sales	**1,312,444**	823,315
Trade creditors	**384,597**	1,480,168
Total trade and other payables	**2,012,794**	2,546,460

Trade and other payables are typically settled within 30 days.

Fair Value
Due to the short term nature of these payables, the carrying value is considered to approximate their fair value.

14 Prepaid revenue	**2019**	2018
	$	$
Prepaid ticket sales	**1,898,853**	1,724,924
Government grants unearned	**-**	-
Hirers Deposits	**82,460**	82,460
Prepaid other	**539,562**	178,770
Total prepaid revenue	**2,520,875**	1,986,154

Government grants unearned are subject to the terms of an agreement between the State of Western Australian through its Department of Local Government, Sport and Cultural Industries, Australia Council and the Company. The funding may only be accessed under the conditions of that agreement, and is recorded as prepaid revenue until the conditions are satisfied.

15 Loans and borrowings	**2019**	2018
	$	$
Current lease liabilities	**119,227**	-
Non-current lease liabilities	**316,595**	-
Total loans and borrowings	**435,822**	-

16 Provisions	**2019**	2018
	$	$
Employee benefits		
Current provision for employee benefits	**2,234,518**	2,161,973
Non-current provision for employee benefits	**34,400**	21,454
Total Provisions	**2,268,918**	2,183,427

17 Other financial assets		**2019**	2018
		$	$
Current investments			
Short term bank deposits		**3,000,000**	2,624,975
Restricted cash deposits		**4,126,545**	3,875,025
Employee loans	(i)	**9,489**	7,903
Total current other financial assets		**7,136,034**	6,507,903
Non current financial assets			
Employee loans	(i)	**41,323**	43,768
Total non current other financial assets		**41,323**	43,768

Restricted Cash Deposits consist of:

(a) funds of $2,123,113 (2018: $1,871,593) that have been: (i) donated to WASOPL with a request that the principal be invested in perpetuity; (ii) received into the endowment fund to be invested in perpetuity in WASOEF as per Company policy.

(b) funds from the Reserves Incentive Funding Scheme. These funds were set aside in accordance with the Reserves Incentive Funding Scheme Agreement between the Company, Australia Council and the State of Western Australia. The funds received under the Reserves Incentive Funding Scheme Agreement, together with the Company's contribution, are held in escrow for a period of 15 years ending 9 January 2022 and are subject to the terms of the Reserves Incentive Scheme Funding Agreement. Included in other current financial assets is an amount of $2,003,432 (2018 : $2,003,432) which may only be utilised for the purposes allowable pursuant to the Reserves Incentive Scheme Funding Agreement.

The funds have not been used to secure any liabilities of the Group.

(i) Refer to note 3 (n) for the terms and conditions of employee loans.

18 Cash flow statement reconciliation

a) Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand and at bank and term deposits at call. Cash and cash equivalents as at the end of the financial period as shown in the cash flow statement are as follows:

	2019	2018
	$	$
Cash	**2,719,919**	2,935,732

b) Reconciliation of net profit from ordinary activities to net cash provided by operating activities

	2019	2018
	$	$
Net profit	**(102,480)**	409,249
Adjustments for:		
Depreciation and amortisation	**471,206**	319,601
Loss on disposal of non-current assets	**-**	25,596
Interest charged on employee instrument loans	**(1,791)**	(3,576)
Interest received	**(133,174)**	(210,683)
Interest charged on lease	**24,873**	-
Dividends received	**-**	(35,008)
Change in restricted cash	**-**	(745,692)
Net cash provided by / (used in) operating activities before change in assets and liabilities	**258,634**	(240,513)
Changes in assets & liabilities		
(Increase) / decrease in receivables	**(156,830)**	396,633
(Increase) / decrease in other assets	**374,572**	(112,987)
(Decrease) / Increase in payables	**(533,666)**	1,338,891
Increase / (decrease) in prepaid revenue	**534,720**	(1,310,423)
Increase / (decrease) in provisions	**85,491**	(73,384)
Changes in assets & liabilities	**304,287**	238,730
Net cash provided by / (used in) operating activities	**562,921**	(1,783)

19 Key management personnel compensation

The following compensation was made to the ten employees (2018: 13 employees) on the executive team for their contributions as employees for the Company.

	2019 $	2018 $
Short term	**1,581,521**	1,751,304
Other employment benefits	**267,084**	254,637
	1,848,605	2,005,941

Directors have not received any payments for their services as directors.

20 Related parties

a) Directors
Transactions with Directors

Mr R J B Goyder contributed cash donations to the Company of $25,000 (2018 : $6,000)

Ms Holmes à Court contributed cash donations to the Company of $26,025 (2018 : $50,150) during the year.

Mr B Le Pley has an interest as Chairman of Sanur Pty Ltd. Sanur Pty Ltd contributed $Nil (2018 : $66,914) cash sponsorship. Additionally, Mr Le Pley contributed a cash donation of $Nil (2018 : $6,000) to the Company during the year.

Mr K Kessell contributed a cash donation of $8,500 (2018 : $12,500)

Ms A L Nolan contributed a cash donation of $3,000 (2018 : $2,500)

Mr R P Shannon contributed a cash donation of $2,500 (2018 : $2,500)

Ms M E O'Neill contributed a cash donation of $10,000 (2018 : $Nil)

Transactions between the Company and entities of which directors have declared an interest, are transacted under normal terms and conditions of business. There were no contracts involving directors' interests subsisting at period end excepting sponsorship agreements under normal terms and conditions of business.

Directors have not received any payments for their services as directors.

b) Subsidiaries
The consolidated financial statements of WASO Holdings Ltd at 31 December 2019 include the parent Company's wholly owned subsidiaries, West Australian Symphony Orchestra Pty Limited, WA Venues & Events Pty Ltd and WASO Endowment Fund for the Orchestra Pty Ltd which are incorporated in Australia and have the same reporting date as that of the parent entity. The carrying value of the investments at 2019 is $3,259,798 (2018 : $1,388,205).

During the year WASO Holdings Ltd granted funding of $9,657,200 (2018 : $9,540,940) to West Australian Symphony Orchestra Pty Limited.

During the year, the Group incorporated the WASO Endowment Fund for the Orchestra Pty Ltd with issued and paid up capital of $1,871,593.

During the year, WASO Holdings Ltd received a dividend from its wholly owned subsidiary, West Australian Symphony Orchestra Pty Ltd of $1,871,593 (2018 : Nil).

20 Related parties (continued)

c) Other related party transactions

Mark Coughlan – CEO of West Australian Symphony Orchestra Pty Ltd is a director of Symphony Services Australia Ltd.

	Sale of goods and services		Purchase of goods and services	
	2019	2018	2019	2018
	$	$	$	$
Symphony Services Australia Ltd	**-**	**-**	**1,610,359**	1,599,713

21 Commitments and contingencies

	2019	2018
	$	**$**
Artist fees contracted for but not provided for and payable		
Not later than one year	**907,447**	520,549
Later than one year and not later than five years	**1,647,000**	2,146,500
Later than five years	**-**	-
	2,554,447	2,667,049

The Group has entered into contracts for performances scheduled to take place during 2019 and subsequent years. These amounts include the maximum expenditure required to satisfy the contracts with the artists.

22 Financial risk management

The Group's principal financial instruments comprise cash and short-term deposits, receivables, payables and investments.

Risk management is carried out by management under delegation from the Board.

The Group does not enter into derivative financial instruments for trade or speculative purposes.

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.

a) Interest rate risk exposures

At the reporting date, the interest rate profile of the Group’s interest bearing financial instruments was:

	2019	2018
	$	$
Fixed rate instruments		
Financial assets	**7,177,357**	6,551,671
Variable rate instruments		
Financial assets	**2,706,396**	2,915,617

The weighted average interest rate at 31 December 2019 was 1.6% (2018 : 1.9%). The Group regularly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates.

22 Financial risk management (continued)

b) Interest rate sensitivity

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. The 0.25% sensitivity is based on reasonably possible changes, over a financial year, using an observed range of historical Australian deposit rate movements over the last 3 years.

At 31 December 2019, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net profit and equity relating to variable rate financial assets of the Group would have been affected as follows:

		2019	2018
Judgements of reasonably possible movements:		**$**	$
Net profit - higher / (lower)			
	+0.25%	**6,766**	7,289
	-0.25%	**(6,766)**	(7,289)

c) Other market price risk

The Company is exposed to equity price risk, which arises from available-for-sale equity securities received as part of a bequest. The company has sold these securities.

d) Net fair value

The net fair value of financial assets and liabilities is equivalent to the carrying amount at balance date as disclosed in the statement of financial position and related notes. This is because either the carrying amounts approximate net fair value or because of their short term to maturity.

e) Credit risk exposure

Receivable balances are monitored on an on going basis with the result that the Group's exposure to bad debts is not significant. The Group monitors the credit risk arising from cash, cash equivalents and term deposits through holding its cash through banks with a Standard and Poor's rating of AA- or greater.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Carrying amount	
	Note	**2019**	2018
		$	$
Other financial assets	16	**7,177,357**	6,551,671
Receivables	10	**852,733**	695,903
Cash and cash equivalents	17a	**2,719,919**	2,935,732
		10,750,009	10,183,306

f) Capital management and liquidity risk

The Group does not have any share capital. The Group's liquidity objective is to secure sufficient funding from the federal and state governments for the next 3 years and to maintain adequate cash balances. At 31 December 2019, the Group has received commitments from these entities to be funded at current levels up until and including the year ending 31 December 2021 in relation to West Australian Symphony Orchestra Pty Limited and 22 October 2021 in regard to WA Venues & Events Pty Ltd.

22 Financial risk management (continued)

g) Exchange rate risk
The Group has a minimal exposure to changes in foreign exchange rates.

23 Parent entity disclosures

	2019	2018
	$	$
Result of parent entity		
Receipt of dividend from subsidiary - *West Australian Symphony Orchestra Pty Ltd*	**1,871,593**	-
Profit for the year	**1,871,593**	-
Financial position of parent entity at year end		
Total assets	**3,259,798**	1,388,205
Total liabilities	**11**	11
Total equity of the parent entity comprising of:		
Retained earnings	**3,259,787**	1,388,194
Retained earnings opening balance as at 1 January 2019	**1,388,194**	1,388,194
Dividend received	**1,871,593**	-
Retained earnings closing balance as at 31 December 2019	**3,259,787**	**1,388,194**

As at 31 December 2019, and throughout the financial year ending 31 December 2019, the parent entity of the Group was WASO Holdings Limited.

24 Auditor's remuneration

	2019	2018
	$	**$**
Audit services		
Auditors of the Group KPMG Australia		
Audit of the financial reports	**54,962**	52,981
Other services		
Other assurance services	**-**	-

No other benefits were received by the auditor.

25 Economic dependency

The Group is economically dependent on the continuing support of various Governments by way of grants. The terms of the main funding grants from the Australia Council for the Arts and the State of Western Australian through its Department of Local Government, Sport and Cultural Industries are set out in the Multi-partite Funding Agreement which was renewed for the period 1 January 2019 to 31 December 2021. This funding is subject to the Group continuing to comply with the terms of the Multi-partite Funding Agreement.

25 Economic dependency (continued)

The parties to the Multi-partite Funding Agreement are the Australia Council for the Arts, the State of Western Australian through its Department of Local Government, Sport and Cultural Industries and WASOHL. There is a funding agreement between WASOHL and WASOPL which provides the basis for the Multi-partite funding to be transferred to WASOPL.

In addition, a funding agreement exists between the Perth Theatre Trust and WA Venues and Events which has been renewed for the period 22 October 2018 to 22 October 2021.

As a result the Group is economically dependent, on the Australia Council for the Arts and the State of Western Australian through its Department of Local Government, Sport and Cultural Industries and the Perth Theatre Trust to operate as a going concern.

26 Subsequent Events

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020 which has seen the closure of Australian borders from 20 March, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

The Group has suspended its concert performances and operation of the Perth Concert Hall and has taken steps to reduce cash out flows associated with its activities. Management are in continuing discussions with Commonwealth and State Government funding bodies with respect to the Group's grant funding arrangements. The Group continues to monitor developments in the COVID-19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Whilst Directors do not anticipate the impacts of COVID-19 to materially impact the ability of the Group to continue as a going concern, given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on the Group's go forward consolidated results of operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in the Group's 2020 annual financial statements.

In the opinion of the directors of WASO Holdings Limited:

a) The company is not publicly accountable;

b) the consolidated financial statements and notes that are set out on pages 6 to 30 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and

(ii) complying with the Australian Accounting Standards and the Australian Charities and Not-for-profits Regulation 2013; and

c) there are reasonable grounds to believe that the Company and Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Richard Goyder AO
Chairman

Perth, dated 16 April 2020

Auditor's Independence Declaration under Section 60-C Section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of WASO Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2019 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Matthew Beevers

Partner

Perth

16 April 2020

Independent Auditor's Report

To the members of WASO Holdings Limited

Opinion

We have audited the ***Financial Report*** of WASO Holdings Limited (the Company).

In our opinion, the accompanying ***Financial Report*** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2019, and of its financial performance and its cash flows of the year ended on that date; and

(ii) Complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The ***Financial Report*** comprises:

- Consolidated Statement of financial position as at 31 December 2019.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' Declaration of the Company.

The Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and 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 fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in WASO Holdings Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- Implementing necessary internal control to enable the preparation of Financial Report that gives a true and fair value and is free from material misstatement, whether due to fraud or error.
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

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

ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

vi. Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

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

KPMG

KPMG

Matthew Beevers

Partner

Perth

16 April 2020