



West Australian Symphony Orchestra

West Australian Symphony Orchestra Pty Ltd

A.B.N. 26 081 230 284

Annual Financial Report

31 December 2020

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Directors' Report (Continued)

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The directors present their report together with the financial report of West Australian Symphony Orchestra Pty Ltd (the 'Company') for the year ended 31 December 2020 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

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 arbitration 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.

Directors' Report (Continued)

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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, Fremantle Ports Authority, Stateships 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 and is CEO of the Group. Paul also represents the Company at Symphony Services Australia Limited board meetings.

Meg O'Neill (BS Ocean Engineering, BS Chemical Engineering MS Ocean Systems)

Meg O'Neill is the Executive Vice President Development and Marketing 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), GLX Digital and the University of Western Australia Business School.

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.

Directors' Report (Continued)

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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 during the year was the performance of symphonic music. There were no significant changes in the nature of the activities of the Company during the year.

REVIEW AND RESULTS OF OPERATIONS

The surplus for the Company for the year ended 31 December 2020 was \$4,599,474 (year ended 31 December 2019: deficit of \$664,745). Despite a significant reduction in earned revenue, particularly box office, the Company was able to post a significant surplus, largely due to JobKeeper support and substantial reductions in expenditure arising from decisive action taken by the Board, management and employees.

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 company suspended normal activities from 14 March 2020 due to the closure of the Perth Concert Hall in response to the COVID-19 pandemic. The Board took immediate action, forming a Business Resilience Team to provide strategies that would assist in preserving the financial position of the Company. Steps were taken to reduce expenditure and avenues of supplementing revenues were explored including all government assistance schemes as they were announced.

As a result of the suspension of activities, the Company was unable to present the normal annual schedule of concerts, but was able to resume a reduced schedule from September to socially distanced audiences and produced digital performances during the closure of the Perth Concert Hall.

STATE OF AFFAIRS

There were no significant changes in the underlying state of affairs of the Company that occurred during the financial year under review other than the net financial benefits discussed in the review of results and operations.

EVENTS SUBSEQUENT TO REPORTING DATE

No events have occurred subsequent to reporting date that materially affect the accounts and are not already reflected in the Statement of Profit or Loss and other Comprehensive Income and Statement of Financial Position.

LIKELY DEVELOPMENTS

The Company will continue to present performances of music during the next financial year. The Company's continuing financial success is dependent on increasing its current level of government funding, corporate sponsorship, philanthropy and ticket sales and other sources of revenue.

CAPITAL

Shareholders are not entitled to dividends. Holders of ordinary shares are entitled to one vote per share at shareholders' meetings. In the event of winding up the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

Directors' Report (Continued)

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DIRECTORS' MEETINGS

The number of directors' meetings held during the year ended 31 December 2020 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	7	7	-	-	-	-
B Le Pley	7	7	6	6	-	-
J L Holmes à Court	1	1	-	-	-	-
A L Nolan	5	7	6	6	-	-
K M Kessell	7	7	-	-	-	-
R P Shannon	7	7	6	6	-	-
M E O'Neill	7	7	-	-	-	-
S A Macliver (Bevan)	6	7	-	-	-	-

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 21.

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.

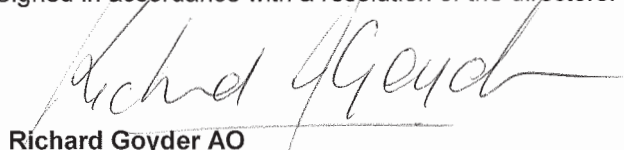
During the year, the Company has paid premiums in respect of directors' and officers' liability, legal expenses and insurance contracts for the period ended 31 December 2020. Since the end of the year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 31 December 2021. 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 28 and forms part of this report.

Signed in accordance with a resolution of the directors:



Richard Goyder AO

Chairman

Perth, dated 30 March 2021

Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December 2020

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	Notes	2020 \$	2019 \$
<i>Revenue</i>			
Funding revenue	4	13,341,218	10,009,642
Ticket sales	5	1,634,210	5,091,822
Sponsorship and donations revenue	6	3,811,066	3,982,356
Other revenue	7	722,920	597,553
Total revenue		19,509,414	19,681,373
 <i>Expenses</i>			
Employee expenses	9	11,510,206	13,108,211
Artist fees and expenses		918,081	2,076,821
Marketing expenses		385,510	915,091
Production expenses		686,859	1,944,362
Depreciation & amortisation	9	405,931	428,948
Operating lease variable expense	9	109,011	90,108
Symphony Services International service fees		30,762	236,441
Insurance		57,229	53,555
Ticket Selling Expenses		125,807	335,987
Other expenses		715,916	1,282,395
Total expenses		14,945,312	20,471,919
 Results from operating activities		 4,564,102	 (790,546)
 Net Finance Income	 8	 35,372	 125,801
 Net (loss) / profit for the year		 4,599,474	 (664,745)
 Total comprehensive (loss) / income for the year		 4,599,474	 (664,745)

Statement of Financial Position as at 31 December 2020

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	Notes	2020	2019
		\$	\$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	19a	3,067,480	316,351
Other financial assets	18	6,019,866	5,012,921
Trade and other receivables	10	1,294,365	563,116
Inventories		60,524	68,874
Prepayments		557,452	363,167
Total current assets		10,999,687	6,324,429
<i>Non-current assets</i>			
Property, plant and equipment	11	1,041,266	1,217,143
Intangible Assets	12	254,446	343,795
Other financial assets	18	34,273	41,323
Total non-current assets		1,329,985	1,602,261
Total assets		12,329,672	7,926,690
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	13	986,699	505,310
Prepaid revenue	14	1,553,670	2,069,629
Loans and borrowings	15	125,356	119,227
Provisions	16	1,959,495	2,092,956
Total current liabilities		4,625,220	4,787,122
<i>Non-current liabilities</i>			
Loans and borrowings	15	191,239	316,595
Provisions	16	112,866	22,100
Total non-current liabilities		304,105	338,695
Total liabilities		4,929,325	5,125,817
Net Assets		7,400,347	2,800,873
Equity			
Contributed Equity	17	299,002	299,002
Financial Sustainability Reserve		4,500,000	-
Retained Profits		2,601,345	2,501,871
Total Equity		7,400,347	2,800,873

Statement of Changes in Equity for the year ended 31 December 2020

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	Retained Profits	Financial Sustainability Reserve	Contributed Equity	Total Equity
	\$	\$	\$	\$
As at 1 January 2019	5,038,209	-	299,002	5,337,211
<i>Comprehensive income for the year</i>				
Net loss	(664,745)	-	-	(664,745)
<i>Transactions with owners</i>				
Payment of Dividends	(1,871,593)			(1,871,593)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	(2,536,338)	-	-	(2,536,338)
As at 31 December 2019	2,501,871	-	299,002	2,800,873
<i>Comprehensive income for the year</i>				
Net profit	4,599,474	-	-	4,599,474
Other comprehensive income	-	-	-	-
Total comprehensive profit for the year	4,599,474	-	-	4,599,474
Transfers to reserves	(4,500,000)	4,500,000	-	-
As at 31 December 2020	2,601,345	4,500,000	299,002	7,400,347

Cash Flow Statement for the year ended 31 December 2020

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	Notes	2020 \$	2019 \$
<i>Cash flows from operating activities</i>			
Cash receipts from customers		1,544,130	8,910,724
Cash receipts from sponsors and other private sector		1,861,559	2,287,327
Cash receipts from donors		1,935,471	1,443,032
Cash payments to suppliers and employees		(16,063,128)	(23,469,604)
Grants received from government funding bodies		14,675,339	10,829,107
Net cash flows provided by operating activities	19b	3,953,371	586
<i>Cash flows from investing activities</i>			
Interest received		74,226	116,712
Payments for intangible assets		(64,679)	(36,825)
Transfers (to) term deposits		(1,000,000)	(375,025)
Payments for property, plant and equipment		(76,026)	(89,141)
Net cash flows (used in) investing activities		(1,066,479)	(384,279)
<i>Cash flows from financing activities</i>			
Employee instrument loans granted		(19,795)	(40,404)
Proceeds from repayments on employee instrument loans		22,301	43,054
Interest and Principal on leases		(138,269)	(138,268)
Net cash flows (used in) financing activities		(135,763)	(135,618)
<i>Net increase / (decrease) in cash held</i>		2,751,129	(519,311)
Cash and cash equivalents at beginning of the period		316,351	835,662
Cash and cash equivalents at end of the period	19a	3,067,480	316,351

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
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1. Corporate information

West Australian Symphony Orchestra Pty Ltd (the Company) is a proprietary limited company, incorporated and domiciled in Australia. The ultimate parent of the Company is WASO Holdings Ltd (WASOHL).

The nature of the operations and principal activities of the Company was the performance of symphonic music. The Company 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 30 March 2021.

2. Basis of preparation

a) Statement of compliance

The 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.

b) Basis of measurement

The financial report is prepared on a historical cost basis, and presented in Australian dollars.

c) Use of estimates and judgements

The preparation of the 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 Company assesses impairment of its non-financial assets at each reporting date by evaluating conditions specific to the Company 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

There have been no material changes in accounting policies during the year.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) 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:

Notes to the financial statements Continued

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3. Significant accounting policies (continued)

Contribution Income

Contribution income represents the fair value of assets received in excess of the cost of the assets where there is a non reciprocal transfer and is recognised as income once the asset is controlled by the Company.

Funding revenue

Funding revenue is received from the Australia Council for the Arts (represented by the Major Performing Arts Board) and the Western Australian 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 WASOHL 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 Company to fulfil an obligation outside its normal operations, is recognised at the time the obligation is fulfilled.

Ticket Sales

Revenue from ticket sales is recognised in the Statement of Profit or Loss and other Comprehensive Income 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".

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.

b) Foreign currency translation

Both the functional and presentation currency of the Company 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.

c) Income Tax and other taxes

The Company 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.

Notes to the financial statements Continued

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3. Significant accounting policies (continued)

c) Income tax and other taxes (continued)

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.

d) 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.

e) 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.

f) 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 Company 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 Company 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 Company's historical experience and informed credit assessment and including forward-looking information.

The Company 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 Company is exposed to credit risk.

Notes to the financial statements Continued

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3. Significant accounting policies (continued)

g) 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 Company 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

h) 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 5 to 10 years.

i) 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.

j) 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:

Notes to the financial statements Continued

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3. Significant accounting policies (continued)

j) Leases (continued)

- 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.

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 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.

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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(ii)

	Note	2020
Property, plant and equipment owned	11	740,751
Right of use assets		300,515
		1,041,266

The only right of use asset leased by the company 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

2020

Balance at 1 January	424,866
Depreciation charge for the year	124,351
	300,515

There were no additions to the right of use asset during 2020

Lease liabilities

2020

Maturity analysis - contractual undiscounted cash flows

Less than one year	138,268
One to five years	195,880
Total undiscounted lease liabilities at 31 December	334,148

Lease liabilities included in the statement of financial position at 31 December

Current	125,356
Non-current	191,239

Amounts recognised in profit or loss

2020

Interest on lease liabilities	19,042
Variable lease payments not included in the measurement of lease liabilities	54,282

Amounts recognised in the statement of cash flows

2020

Total cash outflow for leases	138,269
-------------------------------	---------

k) 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 Company prior to the end of the financial year that are unpaid and arise when the Company 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.

l) Employee benefits

Wages and salaries

The provisions for employee benefits to wages and salaries represent the amount which the Company 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 Company contributes to employee's superannuation plans. Employer contributions are recognised as an expense as they are made. The Company has no ongoing liability for superannuation benefits ultimately payable to employees.

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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Significant accounting policies (continued)

l) Employee benefits (continued)

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 Company'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.

m) Provisions

Provisions are recognised when the Company 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.

n) Other financial assets

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

o) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the year.

4 Funding revenue	2020	2019
	\$	\$
<i>Federal Government - Australian Taxation Office</i>		
Cash Flow Boost	100,000	-
Jobkeeper	3,465,900	-
<i>Australia Council for the Arts</i>		
Base funding	7,500,484	7,382,366
<i>Department of Local Government, Sport and Cultural Industries</i>		
Base funding	2,274,834	2,274,834
Additional hall hire funds	-	165,000
Regional Touring	-	187,442
Total funding revenue	<u>13,341,218</u>	<u>10,009,642</u>

WASOHL 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 WASOHL and is subsequently provided to West Australian Symphony Orchestra Pty Ltd under a separate funding agreement between WASOHL and the Company.

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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5 Ticket sales	2020	2019
	\$	\$
Subscriptions	741,484	1,908,058
Single night	892,726	3,183,764
Total ticket sales	1,634,210	5,091,822
6 Sponsorship and donations revenue	2020	2019
	\$	\$
Sponsorship	1,874,595	2,390,324
Donations	1,936,471	1,592,032
Total sponsorship and donations revenue	3,811,066	3,982,356
7 Other revenue	2020	2019
	\$	\$
Orchestral hire revenue	190,485	190,416
Other income	532,435	407,137
Total other revenue	722,920	597,553
8 Finance income and finance expenses	2020	2019
	\$	\$
Finance income:		
Interest income	54,531	150,920
	54,531	150,920
Finance costs:		
Interest on Lease Liability	(19,042)	(24,873)
Banking fees	(117)	(246)
	(19,159)	(25,119)
Net finance income / (expense)	35,372	125,801

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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9 Expenses	2020	2019
	\$	\$
Depreciation:		
Musical Instruments	62,913	80,895
Music Library Scores	6,349	6,198
Computers	8,627	15,216
Plant & Equipment	49,663	51,316
Leases	<u>124,351</u>	<u>124,351</u>
	251,903	277,976
Amortisation of Intangible Assets	<u>154,028</u>	<u>150,972</u>
Total Depreciation and Amortisation	<u>405,931</u>	<u>428,948</u>
Operating lease variable expense	<u>109,011</u>	<u>90,108</u>
Employee expenses:		
Salaries and wages	10,136,015	11,351,947
Superannuation	1,144,261	1,344,929
Workers compensation	119,630	208,538
Other employee expenses	<u>110,300</u>	<u>202,797</u>
Total employee expenses	<u>11,510,206</u>	<u>13,108,211</u>

10 Trade and other receivables

a) Trade and other receivables	2020	2019
	\$	\$
<i>Current</i>		
Trade debtors	516,826	352,395
less allowance for expected credit losses	<u>-</u>	<u>-</u>
Carrying amount of trade receivables	516,826	352,395
Accrued revenue	<u>777,539</u>	<u>210,721</u>
<i>Total current receivables</i>	<u>1,294,365</u>	<u>563,116</u>
Total trade and other receivables	<u>1,294,365</u>	<u>563,116</u>
b) Past due but not impaired		
Trade debtors ageing		
0 to 14 days	481,876	327,610
15 to 60 days	-	14,935
61 to 90 days	-	-
Over 90 days	<u>34,950</u>	<u>9,850</u>
Total trade debtors	<u>516,826</u>	<u>352,395</u>

As of the balance date, trade debtors over 14 days but less than 91 days were past due but not considered to be impaired (2019 impaired : \$16,000) as there is no objective evidence at reporting date to indicate that the Company will not be able to collect all amounts due.

c) Fair Value

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

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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11 Property, plant and equipment

Reconciliation of carrying amounts at the end of the year

Year ended 2020	<i>Leasehold Improvements</i>	<i>Musical instruments</i>	<i>Music Library Scores</i>	<i>Computers</i>	<i>Right of use asset</i>	<i>Motor Vehicles & Equipment</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$
At 1 January 2020, net of accumulated depreciation and impairment	-	505,323	122,811	26,454	424,866	137,689	1,217,143
Additions	-	64,361	5,490	-	-	6,175	76,026
Depreciation expense	-	(62,913)	(6,349)	(8,627)	(124,351)	(49,663)	(251,903)
Balance at 31 December 2020 net of accumulated depreciation	-	506,771	121,952	17,827	300,515	94,201	1,041,266

At 2020

Cost	415,641	1,413,152	211,994	135,287	549,217	712,220	3,437,511
Accumulated depreciation	(415,641)	(906,381)	(90,042)	(117,460)	(248,702)	(618,019)	(2,396,245)
Closing balance	-	506,771	121,952	17,827	300,515	94,201	1,041,266

Year ended 2019

	<i>Leasehold Improvements</i>	<i>Musical instruments</i>	<i>Music Library Scores</i>	<i>Computers</i>	<i>Right of use asset</i>	<i>Motor Vehicles & Equipment</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$
At 1 January 2019, net of accumulated depreciation and impairment	-	550,106	128,607	39,241	-	138,807	856,761
Additions	-	36,112	402	2,429	549,217	50,198	638,358
Depreciation expense	-	(80,895)	(6,198)	(15,216)	(124,351)	(51,316)	(277,976)
Balance at 31 December 2019 net of accumulated depreciation	-	505,323	122,811	26,454	424,866	137,689	1,217,143

At 2019

Cost	415,641	1,348,791	206,504	137,949	549,217	706,045	3,364,147
Accumulated depreciation	(415,641)	(843,468)	(83,693)	(111,495)	(124,351)	(568,356)	(2,147,004)
Closing balance	-	505,323	122,811	26,454	424,866	137,689	1,217,143

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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12 Intangible Assets	2020	2019
	\$	\$
As at 1 January net of accumulated amortisation and impairment	343,795	457,942
Additions	64,679	36,825
Amortisation charge for the year	(154,028)	(150,972)
As at 31 December, net of accumulated amortisation and impairment	<u>254,446</u>	<u>343,795</u>
As at 31 December		
Cost	997,336	932,657
Accumulated amortisation	(742,890)	(588,862)
Net carrying amount	<u>254,446</u>	<u>343,795</u>

Intangible Assets comprises costs capitalised relating to the development of the Company's billing platform and general ledger system.

13 Trade and other payables	2020	2019
	\$	\$
Accruals	468,833	203,596
Trade creditors	517,866	301,714
Total trade and other payables	<u>986,699</u>	<u>505,310</u>

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	2020	2019
	\$	\$
Prepaid ticket sales	1,062,300	1,576,607
Prepaid other	491,370	493,022
Total prepaid revenue	<u>1,553,670</u>	<u>2,069,629</u>

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

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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15 Loans and borrowings	2020	2019
	\$	\$
Current lease liabilities	125,356	119,227
Non-current lease liabilities	191,239	316,595
Total loans and borrowings	<u>316,595</u>	<u>435,822</u>
16 Provisions	2020	2019
	\$	\$
<i>Employee benefits</i>		
Current provision for employee benefits	1,959,495	2,092,956
Non-current provision for employee benefits	112,866	22,100
Total Provisions	<u>2,072,361</u>	<u>2,115,056</u>
17 Contributed equity	2020	2019
	\$	\$
Share capital		
299,002 (2019 : 299,002) ordinary shares, fully paid	<u>299,002</u>	<u>299,002</u>
There are 299,002 ordinary shares on issue (2019: 299,002)		
18 Other financial assets	2020	2019
	\$	\$
<i>Current investments</i>		
Term bank deposits	4,000,000	3,000,000
Restricted cash deposits	2,003,432	2,003,432
Employee loans (i)	16,434	9,489
Total current other financial assets	<u>6,019,866</u>	<u>5,012,921</u>
<i>Non current financial assets</i>		
Employee loans (i)	34,273	41,323
Total non current other financial assets	<u>34,273</u>	<u>41,323</u>

Restricted Cash Deposits consist of 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 (2019 : \$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 Company.

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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18 Other financial assets (continued)

Funds that were previously held as restricted cash deposits in relation to the WASO Endowment fund have been transferred via payment of dividend to the parent company for the purpose of investment in WASO Endowment for the Orchestra Pty Ltd for the purpose of providing a future income stream for the Company.

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

19 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:

	2020	2019
	\$	\$
Cash	3,067,480	316,351

b) Reconciliation of net profit from ordinary activities to net cash provided by / (used in) operating activities

	2020	2019
	\$	\$
Net profit / (loss)	4,599,474	(664,745)
<i>Adjustments for:</i>		
Depreciation and amortisation	405,931	428,948
Interest charged on employee instrument loans	(2,401)	(1,791)
Interest received	(74,226)	(116,712)
Interest charged on lease liabilities	19,042	24,873
Net cash provided by / (used in) operating activities before change in assets and liabilities	4,947,820	(329,427)
<i>Changes in assets & liabilities</i>		
(Increase) / decrease in receivables	(731,249)	353,651
(Increase) / decrease in other assets	(185,935)	379,305
Increase / (decrease) in payables	481,389	(833,311)
(Decrease) / increase in prepaid revenue	(515,959)	373,396
(Decrease) / increase in provisions	(42,695)	56,972
Changes in assets & liabilities	(994,449)	330,013
Net cash provided by operating activities	3,953,371	586

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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20 Key management personnel compensation

The following compensation was made to the eleven employees (2019: 8 employees) on the executive team for their contributions as employees for the Company.

	2020	2019
	\$	\$
Short term	1,265,960	1,296,699
Other employment benefits	212,149	226,662
	<u>1,478,109</u>	<u>1,523,361</u>

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

21 Related parties

a) Parent and ultimate controlling party

The ultimate controlling party is WASO Holdings Ltd.

b) Directors

Transactions with Directors

Mr R J B Goyder contributed cash donations to the Company of \$25,000 (2019 : \$25,000)

Ms Holmes à Court contributed cash donations to the Company of \$25,000 (2019 : \$26,025)

Mr B Le Pley contributed a cash donation of \$3,562 (2019 : \$Nil)

Mr K Kessell contributed a cash donation of \$9,868 (2019 : \$8,500)

Ms A L Nolan contributed a cash donation of \$2,500 (2019 : \$3,000)

Mr R P Shannon contributed a cash donation of \$3,000 (2019 : \$2,500)

Ms M E O'Neill contributed a cash donation of \$Nil (2019 : \$10,000)

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.

During the year, the Company paid a dividend of \$Nil (2019 : \$1,871,593) to its parent entity WASO Holdings Ltd.

During the year West Australian Symphony Orchestra Pty Ltd received funding of \$9,775,318 (2019 : \$9,657,200) from WASOHL.

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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21 Related parties (continued)

c) Other related party transactions

Paul Shannon – CEO of West Australian Symphony Orchestra Pty Ltd represents the Company at Symphony Services Australia Ltd board meetings. He is also a director of the WASO Group of companies. Any payments received by Mr Shannon are only in relation to his role as CEO.

WA Venues & Events Pty Ltd (WAVE) was created 4 December 2014 to manage the Perth Concert Hall and its ticketing facilities and has the same ultimate parent as the Company.

	Sale of goods and services		Purchase of goods and services	
	2020	2019	2020	2019
	\$	\$	\$	\$
Symphony Services Australia Ltd	<u>-</u>	<u>-</u>	<u>658,316</u>	<u>1,610,359</u>
WA Venues and Events Pty Ltd	<u>345,820</u>	<u>392,097</u>	<u>624,637</u>	<u>1,454,023</u>

22 Commitments and contingencies

	2020	2019
	\$	\$
<i>Artist fees contracted for but not provided for and payable</i>		
Not later than one year	855,797	907,447
Later than one year and not later than five years	<u>1,125,000</u>	<u>1,647,000</u>
	<u>1,980,797</u>	<u>2,554,447</u>

The Company has entered into contracts for performances scheduled to take place during 2020 and subsequent years. These amounts include the maximum expenditure required to satisfy the contracts with the artists.

23 Financial risk management

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

The Company manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Company's financial risk management policy.

a) Interest rate risk exposures

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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23 Financial risk management (continued)

	2020	2019
	\$	\$
<i>Fixed rate instruments</i>		
Financial assets	<u>6,054,139</u>	<u>5,054,244</u>
<i>Variable rate instruments</i>		
Financial assets	<u>3,067,480</u>	<u>316,351</u>

The weighted average interest rate at 31 December 2020 was 0.6% (2019 : 1.8%). The Company regularly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates.

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 2020, 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 Company would have been affected as follows:

	2020	2019
	\$	\$
Judgements of reasonably possible movements:		
<i>Net profit - higher / (lower)</i>		
+0.25%	7,669	791
-0.25%	(7,669)	(791)

c) 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.

d) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Carrying amount	
	Note	2020	2019
		\$	\$
Other financial assets	18	6,054,139	5,054,244
Receivables	10	1,294,365	563,116
Cash and cash equivalents	19a	<u>3,067,480</u>	<u>316,351</u>
		<u>10,415,984</u>	<u>5,933,711</u>

The Company continuously monitors defaults of customers and other counterparties; identified either individually or by Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and / or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties. The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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23 Financial risk management (continued)

Some of the unimpaired trade and other receivables are past due as at the reporting date. Information on financial assets past due but not impaired are as follows:

	2020	2019
	\$	\$
Gross Amount	516,826	352,395
15 to 60 days	-	14,935
61 to 90 days	-	-
Over 90 days	34,950	9,850
Total	34,950	24,785

e) Capital management and liquidity risk

The Company'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 2020, the Company has received commitments from these entities to be funded at current levels until and including the year ending 31 December 2021.

f) Exchange rate risk

The Company has a minimal exposure to changes in foreign exchange rates.

24 Auditor's remuneration

	2020	2019
	\$	\$
<i>Audit services</i>		
Auditors of the Group KPMG Australia		
Audit of the financial reports	25,566	27,480
<i>Other services</i>		
Other assurance services	-	-

No other benefits were received by the auditor.

25 Economic dependency

The Company 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 Company continuing to comply with the terms of the Multi-partite Funding Agreement.

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 the Company which provides the basis for the Multi-partite funding to be transferred to the Company. As a result the Company is economically dependent on WASOHL, and in turn, on the Australia Council for the Arts and the State of Western Australian through its Department of Local Government, Sport and Cultural Industries to operate as a going concern.

Notes to the financial statements Continued

West Australian Symphony Orchestra Pty Ltd
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26 COVID-19

The company suspended normal activities from 14 March 2020 due to the closure of the Perth Concert Hall in response to the COVID-19 pandemic. The Board took immediate action, forming a Business Resilience Team to provide strategies that would assist in preserving the financial position of the Company. Steps were taken to reduce expenditure and avenues of supplementing revenues were explored including all government assistance schemes as they were announced.

As a result of the suspension of activities, the Company was unable to present the normal annual schedule of concerts, but was able to resume a reduced schedule from September to socially distanced audiences and produced digital performances during the closure of the Perth Concert Hall.

27 Subsequent events

No events have occurred subsequent to reporting date that materially affect the accounts and are not already reflected in the Statement of Profit or Loss and other Comprehensive Income and Statement of Financial Position.

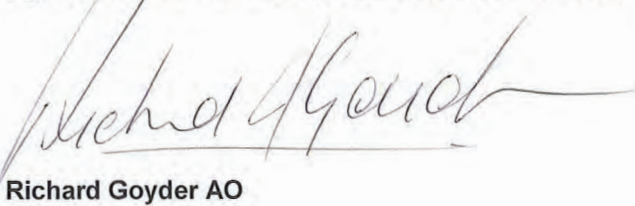
Directors' Declaration

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2020 ACN 081 230 284

In the opinion of the directors of West Australian Symphony Orchestra Pty Limited:

- a) The company is not publicly accountable;
- b) the financial statements and notes that are set out on pages 5 to 26 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2020 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 will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Richard Goyder AO
Chairman

Perth, dated 30 March 2021



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

To the Directors of West Australian Symphony Orchestra Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of West Australian Symphony Orchestra Pty Ltd for the financial year ended 31 December 2020 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

Matthew Hingeley

Partner

Perth

30 March 2021



Independent Auditor's Report

To the members of West Australian Symphony Orchestra Pty Ltd

Opinion

We have audited the **Financial Report** of West Australian Symphony Orchestra Pty Ltd (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:

- giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance and its cash flows for the year ended on that date; and
- Complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2020.
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the period then ended.
- Notes including a summary of significant accounting policies.
- Directors' Declaration of the Company.

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 Company 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 West Australian Symphony Orchestra Pty Ltd'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.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' report.

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 a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the 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 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 judgment and maintain professional skepticism 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 Company'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 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 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.

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

Matthew Hingeley

Partner

Perth

30 March 2021