



West Australian Symphony Orchestra

West Australian Symphony Orchestra Pty Ltd

A.B.N. 26 081 230 284

Annual Financial Report

31 December 2022

Contents

Contents	Page
Directors' Report	1
Statement of Profit or Loss and other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to the Financial Statements	11
Directors' Declaration	29
Auditor's Independence Declaration	30
Independent Audit Report	31

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

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 2022 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
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
Alex Elizabeth Willcocks	Appointed 11 January 2023

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 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. Wesfarmers became a top 10 Australian company, with more than 500,000 shareholders and with a workforce of more than 220,000 people, it became the country's largest private sector employer.

He was made an Officer of the Order of Australia in 2013 for distinguished service to business through executive roles and through the promotion of corporate sponsorship of the arts and Indigenous programs, and to the community. Richard was named West Australian of the Year for 2021, recognising his commitment to the community through his philanthropic endeavours.

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.

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

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 (Hons), MEd)

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 and UWA Business School Advisory Board. 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 has 28 years' experience in the global oil and gas industry, with positions and responsibilities extending across North America, Africa, Europe, Asia and Australia. Since being appointed Chief Executive Officer and Managing Director of Woodside Energy in 2021, Meg has overseen a merger that has transformed Woodside into the largest energy company listed on the Australian Securities Exchange, with a global portfolio of diversified energy assets.

Meg joined Woodside in 2018 as Chief Operations Officer, responsible for all of the company's producing assets. In 2019, Meg was appointed Executive Vice President Development, overseeing the delivery of

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

Woodside's major growth projects in Australia and Senegal. In 2020, she also assumed responsibility for Marketing. Prior to joining Woodside, Meg worked for ExxonMobil in a variety of technical, operational and leadership roles based in Houston, Indonesia, Canada and Norway.

Meg is currently on the Boards of WASO Holdings Ltd, WA Venues & Events Pty Ltd and WASO Endowment Fund for the Orchestra Pty Ltd. She is Chair of the Australian oil and gas industry peak body, the Australian Petroleum Production and Exploration Association (APPEA) and serves on the board of Reconciliation Western Australia. Meg is also an honorary Governor of the American Chamber of Commerce in Australia (AmCham), and a member of Chief Executive Women and the University of Western Australia Business School Advisory Board.

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 Freeze Frame Opera, WASO Holdings Ltd, WA Venues & Events Pty Ltd and WASO Endowment Fund for the Orchestra Pty Ltd.

Alex Willcocks (M (Cantab), ACMA, CPA, GAICD)

Alex Willcocks is the Chief Financial Officer of Wesfarmers Chemicals, Energy and Fertilisers. She has held roles across the Wesfarmers Group since 2007, including Executive General Manager Group Accounting & Assurance and General Manager positions in investor relations and business development as well as Chief Financial Officer, Kmart.

Before starting with Wesfarmers, Alex worked in the consulting and media sectors in both London and Australia including time with Deloitte and Sony Pictures. Alex holds a Masters degree in Chemistry from the University of Cambridge. She is Chair of Wespine Industries Pty Ltd and a Director of the Group of 100 (the peak body for ASX CFOs) and 100 Women Ltd. Alex is a Director 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 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 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 surplus for the Company for the year ended 31 December 2022 was \$802,301 (year ended 31 December 2021: \$2,787,523). The 2022 result in comparison with 2021 was primarily driven by a significant reduction in revenues. The majority of this was COVID related with reductions in Government grants that were inflated in 2021 due to COVID funding initiatives in that year (\$638k) and sponsorship (\$300k). Box Office

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

revenues were lower than in the previous year partially due to COVID restrictions on audience sizes for March and April (\$103k). In addition, due to the return of a full workforce in 2022, expenses increased by \$409k.

In addition to COVID related changes, sponsorship revenues reduced by \$189k and philanthropic receipts by \$112k.

The Company presented the West Australian Symphony Orchestra and the Education Chamber Orchestra (EChO) in 373 performances, workshops and artist development activities to more than 159,000 people during the year ended 31 December 2022. Orchestral performances were principally presented at the Perth Concert Hall and His Majesty's Theatre. Performances were also presented at several other venues including many aged care centres, the Riverside Theatre, the Perth Childrens Hospital and schools in Perth. Performances were also presented in the regional centres of Geraldton, Dongara and Bunbury.

Several recordings were created during the year including WA Day, Australia Day, the Ukraine National Anthem and a recording of the project with hip hop artist – DraphT. These recordings were heard by over 511,000 people. The Australian Broadcasting Corporation broadcast 20 recordings of WASO performances through its Classic FM stations around Australia to an estimated audience of 2 million.

In addition, 1,817 classes were conducted in the Crescendo program across all grades in two schools resulting in 435 students benefiting from the program. The Crescendo program remains the only long-term sustainable El Sistema inspired music education program in Western Australia.

West Australian Symphony Orchestra Pty Ltd
A.B.N. 26 081 230 284
Management Profit or Loss Account
for the year ended 31 December 2022

	2022	2021
	\$	\$
West Australian Symphony Orchestra Artistic Program		
<i>Revenue</i>		
Ticket sales	4,519,026	4,657,353
Orchestral hire income	321,579	313,765
Other direct artistic support income	444,000	651,110
<i>Total revenue</i>	<u>5,284,605</u>	<u>5,622,228</u>
<i>Expenses</i>		
Artistic program, employees and other expenses	18,575,011	18,166,666
Total Artistic Program Deficit	<u>(13,290,406)</u>	<u>(12,544,438)</u>
Other sources of income to support the artistic program		
Government grants - general	10,219,031	10,857,418
Net investment	47,605	111,193
Endowment Fund	74,393	0
Management services and other income	387,095	398,219
Sponsorships	1,467,666	1,956,629
Philanthropic receipts	1,896,917	2,008,502
	<u>14,092,707</u>	<u>15,331,961</u>
Net Surplus (Deficit)	<u><u>802,301</u></u>	<u><u>2,787,523</u></u>

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.

RESERVES POLICY

The terms and conditions of the Multi-partite Funding Agreement between West Australian Symphony Orchestra, the Australian Government through Australia Council and the Government of Western Australia through its Department of Local Government, Sport and Cultural Industries, requires the Company to agree to maintain reserves at a minimum level of 20% of annual expenditure. The Company complies with this requirement and intends to maintain reserves in excess of this requirement, having adopted a Board Reserves policy requiring minimum reserves representing 50% of annual expenditure.

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' MEETINGS

The number of directors' meetings held during the year ended 31 December 2022 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	-	-	-	-
B Le Pley	6	6	6	6	-	-
A L Nolan	6	6	6	6	-	-
K M Kessell	6	6	-	-	-	-
R P Shannon	6	6	6	6	-	-
M E O'Neill	3	6	-	-	-	-
S A Macliver (Bevan)	6	6	-	-	-	-
A E Willcocks	-	-	-	-	-	-

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.

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

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.

The operations of the West Australian Symphony Orchestra will be affected by the redevelopment of the Perth Concert Hall which is expected to close in second half of 2024. The impact of the redevelopment is dependent on the date of closure, the duration of the closure and the availability of suitable venues for WASO performances.

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 2022. 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 2023. 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 30 and forms part of this report.

Signed in accordance with a resolution of the directors:



PP **Richard Goyder AO**
Chairman
Perth, dated 2 May 2023

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

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

	Notes	2022 \$	2021 \$
<i>Revenue</i>			
Funding revenue	1	10,240,179	11,060,361
Ticket sales	2	4,519,026	4,657,353
Sponsorship and donations revenue	3	3,786,444	4,364,226
Other revenue	4	784,058	828,560
Total revenue		19,329,707	20,910,500
 <i>Expenses</i>			
Employee expenses	6	12,786,455	12,609,359
Artist fees and expenses		1,702,165	1,550,180
Marketing expenses		580,548	509,065
Production expenses		1,559,073	1,502,296
Depreciation & amortisation	6	351,319	389,086
Operating lease variable expense	6	102,709	93,595
Symphony Services International service fees		100,000	88,000
Insurance		64,185	56,211
Ticket Selling Expenses		267,011	343,778
Other expenses		1,052,926	1,079,688
Total expenses		18,566,391	18,221,258
 Results from operating activities		763,316	2,689,242
 Net finance income	5	38,985	98,281
 Net profit for the year		802,301	2,787,523
 Other comprehensive income		-	-
 Total comprehensive income for the year		802,301	2,787,523

Statement of Financial Position as at 31 December 2022

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

	Notes	2022 \$	2021 \$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	17a	6,147,500	5,673,245
Other financial assets	16	9,251	14,005
Trade and other receivables	8	511,463	876,346
Inventories		33,443	58,239
Prepayments		317,776	328,087
Total current assets		7,019,433	6,949,922
<i>Non-current assets</i>			
Property, plant and equipment	9	663,209	765,059
Intangible assets	10	52,820	137,814
Right of use assets	13	51,813	176,164
Other financial assets	16	8,694,792	7,344,640
Total non-current assets		9,462,634	8,423,677
Total assets		16,482,067	15,373,599
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	11	1,172,277	718,347
Prepaid revenue	12	2,045,812	2,059,439
Lease Liabilities	13	58,515	133,457
Provisions	14	2,144,504	2,164,933
Total current liabilities		5,421,108	5,076,176
<i>Non-current liabilities</i>			
Lease liabilities	13	-	56,815
Provisions	14	70,788	52,738
Total non-current liabilities		70,788	109,553
Total liabilities		5,491,896	5,185,729
Net Assets		10,990,171	10,187,870
Equity			
Contributed equity	15	299,002	299,002
Financial sustainability reserve		4,500,000	4,500,000
Retained profits		6,191,169	5,388,868
Total equity		10,990,171	10,187,870

Statement of Changes in Equity for the year ended 31 December 2022

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

	Retained Profits	Financial Sustainability Reserve	Contributed Equity	Total Equity
	\$	\$	\$	\$
As at 1 January 2021	2,601,345	4,500,000	299,002	7,400,347
<i>Comprehensive income for the year</i>				
Net profit	2,787,523	-	-	2,787,523
<i>Transactions with owners</i>				
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	2,787,523	-	-	2,787,523
As at 31 December 2021	5,388,868	4,500,000	299,002	10,187,870
<i>Comprehensive income for the year</i>				
Net profit	802,301	-	-	802,301
Other comprehensive income	-	-	-	-
Total comprehensive profit for the year	802,301	-	-	802,301
As at 31 December 2022	6,191,169	4,500,000	299,002	10,990,171

Cash Flow Statement for the year ended 31 December 2022

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

	Notes	2022 \$	2021 \$
<i>Cash flows from operating activities</i>			
Cash receipts from customers		4,886,307	6,498,378
Cash receipts from sponsors and other private sector		1,997,556	2,473,235
Cash receipts from donors		1,746,917	1,908,502
Cash payments to suppliers and employees		(17,975,902)	(17,230,191)
Grants received from government funding bodies		11,240,934	12,455,743
Net cash flows provided by operating activities	17b	1,895,812	6,105,667
<i>Cash flows from investing activities</i>			
Interest received		142,630	54,584
Dividends received		132,276	12,678
Proceeds from sale of financial assets		974,117	404,748
Disposal of short term deposits		-	4,000,000
Acquisition of financial assets	16	(2,512,521)	(7,667,070)
Acquisition of intangible assets		-	(10,174)
Acquisition of property, plant and equipment	9	(40,124)	(162,237)
Net cash flows used in investing activities		(1,303,622)	(3,367,471)
<i>Cash flows from financing activities</i>			
Employee instrument loans granted		-	(13,540)
Proceeds from repayments on employee instrument		22,442	20,344
Interest and Principal on leases	13	(140,377)	(139,235)
Net cash flows used in financing activities		(117,935)	(132,431)
<i>Net increase in cash held</i>		474,255	2,605,765
Cash and cash equivalents at beginning of the period		5,673,245	3,067,480
Cash and cash equivalents at end of the period	17a	6,147,500	5,673,245

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

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 Limited (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 2 May 2023.

BASIS OF PREPARATION

The financial report has been prepared on the basis of historical cost. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of AASB 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 or value in use in AASB 136.

Statement of compliance

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

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Company as a result of the change in the basis of preparation.

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information has been updated or reclassified where appropriate to enhance comparability or reflect immaterial changes where the more relevant information supports a retrospective adjustment.

Changes in accounting policies

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

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

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.

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

Income Tax and other taxes (continued)

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.

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.

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.

Other Accounting Policies

Significant other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

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.

1 Funding revenue	2022	2021
	\$	\$
<i>Federal Government - Australian Taxation Office</i>		
Jobkeeper	-	662,750
<i>Australia Council for the Arts</i>		
Base funding	7,696,698	7,620,491
<i>Department of Local Government, Sport and Cultural Industries</i>		
Base funding	2,522,333	2,357,334
Regional Touring	21,148	132,093
Getting the Show Back on the Road funding	-	287,693
Total funding revenue	<u>10,240,179</u>	<u>11,060,361</u>

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.

WASOHL has a 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 2021 for a four 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.

2 Ticket sales	2022	2021
	\$	\$
Subscriptions	1,836,982	1,411,764
Single night	2,682,044	3,245,589
Total ticket sales	<u>4,519,026</u>	<u>4,657,353</u>

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".

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

3 Sponsorship and donations revenue	2022	2021
	\$	\$
Sponsorship	1,889,527	2,355,724
Donations	1,896,917	2,008,502
Total sponsorship and donations revenue	<u>3,786,444</u>	<u>4,364,226</u>

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.

4 Other revenue	2022	2021
	\$	\$
Orchestral hire revenue	321,579	313,765
Other income	462,479	514,795
Total other revenue	<u>784,058</u>	<u>828,560</u>

5 Finance income and finance expenses	2022	2021
	\$	\$
Finance income:		
Interest income	140,451	46,594
Dividend income	169,243	27,267
Loss on sale of asset	(46,115)	(4,856)
Fair value (loss) / gain on financial asset	(172,325)	55,114
	<u>91,254</u>	<u>124,119</u>
Finance expenses:		
Interest on Lease Liability	(8,620)	(12,912)
Banking fees	(641)	(404)
Brokerage Fees	(43,008)	(12,522)
	<u>(52,269)</u>	<u>(25,838)</u>
Net finance income	<u>38,985</u>	<u>98,281</u>

Interest 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

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

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

6 Expenses	2022	2021
	\$	\$
Depreciation:		
Musical Instruments	65,971	68,703
Music Library Scores	6,746	6,416
Computers	26,458	14,571
Plant & Equipment	42,799	48,239
Leases	124,351	124,351
	<u>266,325</u>	<u>262,280</u>
Amortisation of Intangible Assets	84,994	126,806
Total Depreciation and Amortisation	<u>351,319</u>	<u>389,086</u>
Operating lease variable expense	<u>102,709</u>	<u>93,595</u>
Employee expenses:		
Salaries and wages	11,147,016	11,075,095
Superannuation	1,386,315	1,346,930
Workers compensation	150,495	117,775
Other employee expenses	102,629	69,559
Total employee expenses	<u>12,786,455</u>	<u>12,609,359</u>

7 Auditor's remuneration	2022	2021
	\$	\$
The Auditors of the Group are KPMG Australia		
Remuneration of the Auditor for:		
Audit of the financial reports	32,525	28,433
Other assurance services	-	-
	<u>32,525</u>	<u>28,433</u>

No other benefits were received by the auditor.

8 Trade and other receivables

	2022	2021
	\$	\$
<i>Current</i>		
Trade debtors	457,002	866,197
less allowance for expected credit losses	-	-
Carrying amount of trade receivables	<u>457,002</u>	<u>866,197</u>
Accrued revenue	54,461	10,149
<i>Total current receivables</i>	<u>511,463</u>	<u>876,346</u>
Total trade and other receivables	<u>511,463</u>	<u>876,346</u>

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.

8 Trade and other receivables (continued)

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.

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

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

9 Property, plant and equipment Reconciliation of carrying amounts at the end of the year

Year ended	2022	Leasehold	Musical	Musical	Computer	Motor	Total
		Improvements	instruments	Library Scores	Equipment	Vehicles & Equipment	
		\$	\$	\$	\$	\$	\$
At 1 January 2022, net of accumulated depreciation		-	438,068	120,759	59,681	146,551	765,059
Additions		-	6,267	13,775	14,391	5,691	40,124
Depreciation expense		-	(65,971)	(6,746)	(26,458)	(42,799)	(141,974)
Balance at 31 December 2022 net of accumulated depreciation		-	378,364	127,788	47,614	109,443	663,209

At 2022

Cost	415,641	1,419,419	230,993	173,341	818,500	3,057,894
Accumulated depreciation	(415,641)	(1,041,054)	(103,205)	(125,728)	(709,057)	(2,394,685)
Closing balance	-	378,365	127,788	47,613	109,443	663,209

Year ended	2021	Leasehold	Musical	Musical	Computer	Motor	Total
		Improvements	instruments	Library Scores	Equipment	Vehicles & Equipment	
		\$	\$	\$	\$	\$	\$
At 1 January 2021, net of accumulated depreciation		-	506,771	121,952	17,827	94,201	740,751
Additions		-	-	5,223	56,425	100,589	162,237
Disposals		-	-	-	-	-	-
Depreciation expense net of accumulated		-	(68,703)	(6,416)	(14,571)	(48,239)	(137,929)
		-	438,068	120,759	59,681	146,551	765,059

At 2021

Cost	415,641	1,413,152	217,218	194,374	812,809	3,053,194
Accumulated depreciation	(415,641)	(975,084)	(96,459)	(134,693)	(666,258)	(2,288,135)
Closing balance	-	438,068	120,759	59,681	146,551	765,059

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.

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

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

9 Property, plant and equipment (continued)

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.

Depreciation and amortisation

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

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

The assets' residual values, useful lives and amortisation methods are periodically reviewed, and adjusted if appropriate, at each financial year-end.

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.

10 Intangible assets

	2022	2021
	\$	\$
As at 1 January net of accumulated amortisation	137,814	254,446
Additions	-	10,174
Amortisation charge for the year	(84,994)	(126,806)
As at 31 December, net of accumulated amortisation	<u>52,820</u>	<u>137,814</u>
As at 31 December		
Cost	1,007,509	1,007,509
Accumulated amortisation	(954,689)	(869,695)
Net carrying amount	<u>52,820</u>	<u>137,814</u>

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

10 Intangible Assets (continued)

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.

11 Trade and other payables	2022	2021
	\$	\$
Accruals	583,088	474,142
Trade creditors	589,189	244,205
Total trade and other payables	<u>1,172,277</u>	<u>718,347</u>

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.

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.

12 Prepaid revenue	2022	2021
	\$	\$
Prepaid ticket sales	1,668,687	1,588,407
Government grants unearned	237,013	263,042
Prepaid other	140,112	207,990
Total prepaid revenue	<u>2,045,812</u>	<u>2,059,439</u>

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.

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

13 Leases

Right of use asset	2022	2021
	\$	\$
Balance at 1 January	176,164	300,515
Depreciation charge for the year	(124,351)	(124,351)
Balance at 31 December	<u>51,813</u>	<u>176,164</u>
There were no additions to the right of use asset during 2021		
Lease liabilities	2022	2021
	\$	\$
Maturity analysis - contractual undiscounted cash flows		
Less than one year	59,955	139,926
One to five years	-	58,303
Total undiscounted lease liabilities at 31 December	<u>59,955</u>	<u>198,229</u>
Lease liabilities included in the statement of financial position at 31 December	2022	2021
	\$	\$
Current lease liabilities	58,515	133,457
Non-current lease liabilities	-	56,815
	<u>58,515</u>	<u>190,272</u>
Amounts recognised in profit or loss	2022	2021
	\$	\$
Interest on lease liabilities	8,620	12,912
Variable lease payments not included in the measurement of lease liabilities	54,310	44,378
	<u>62,930</u>	<u>57,290</u>
Amounts recognised in the statement of cash flows	2022	2021
	\$	\$
Total cash outflow for leases	<u>140,377</u>	<u>139,235</u>

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 uses the definition of a lease in AASB 16.

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.

13 Leases (Continued)

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 Company's incremental borrowing rate. Generally, the Company 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;
- 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.

Short-term leases and leases of low-value assets

The Company 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 Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

14 Provisions	2022	2021
	\$	\$
<i>Employee benefits</i>		
Current provision for employee benefits	2,144,504	2,164,933
Non-current provision for employee benefits	70,788	52,738
Total provisions	<u>2,215,292</u>	<u>2,217,671</u>

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.

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.

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.

15 Contributed equity	2022	2021
	\$	\$
Share capital		
299,002 (2021 : 299,002) ordinary shares, fully paid	<u>299,002</u>	<u>299,002</u>

There are 299,002 ordinary shares on issue (2021: 299,002)

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

16 Other financial assets	2022	2021
	\$	\$
<i>Current financial assets</i>		
Employee loans	9,251	14,005
Total current other financial assets	9,251	14,005
<i>Non current financial assets</i>		
Employee loans	16,029	31,956
Fair value of investments as at 1 January	7,312,684	-
Purchases during the year at cost	2,512,521	7,667,174
Less disposals at cost	(928,002)	(404,748)
Fair value (loss) / gain on financial asset	(172,325)	55,114
Realised loss on disposal of investments	(46,115)	(4,856)
Fair value of investments as at 31 December	8,678,763	7,312,684
Total non current other financial assets	8,694,792	7,344,640

Financial instruments

The classification and measurement model for financial assets is outlined below.

(i) Financial assets at amortised cost

A financial asset is measured at amortised cost if the following conditions are met:

- the objective of the Company's business model is to hold the asset to collect contractual cash flows;
- the contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding;
- the Company does not irrevocably elect at initial recognition to measure the instrument at fair value through profit or loss to minimise an accounting mismatch.

Amortised cost instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition the carrying amount of amortised cost instruments is determined using the effective interest method, less any impairment losses. Interest income is recognised in profit or loss as part of finance income.

(ii) Financial assets at fair value

Financial assets at fair value through other comprehensive income

The Group classifies financial assets at fair value through other comprehensive income (FVOCI) where the following conditions are met:

- the contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding;
- the objective of the Group's business model is achieved both by collecting contractual cash flows and by selling the financial assets.

These investments are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss is recognised in profit or loss.

16 Other financial assets (continued)

At initial recognition, the Company may also make an irrevocable election (on an instrument-by-instrument basis) to recognise the change in fair value of investments in equity instruments in other comprehensive income (FVOCI). This election is only permitted for equity instruments that are not held for trading purposes.

These equity investments are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss is transferred directly to retained earnings and is not recognised in profit or loss.

The fair value of the Company's investments in listed equities, interest bearing notes and other instruments are determined with reference to their quoted closing price at the reporting date.

Financial assets at fair value through profit or loss

The Company classifies financial assets at fair value through profit and loss (FVTPL) if they are not an equity investment, which they have made an irrevocable election to recognise through OCI, and the assets contractual cash flows are not solely principal and interest. These investments are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in the profit and loss.

Dividends or other distributions received from investments are recognised in profit or loss as part of finance income.

(iii) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Other financial assets

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

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.

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

17 Cashflow statement reconciliation

a) Reconciliation of cash

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.

Cash and cash equivalents as at the end of the financial period as shown in the cash flow statement are as follows:

	2022	2021
	\$	\$
Cash	<u>6,147,500</u>	<u>5,673,245</u>

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

	2022	2021
	\$	\$
Net profit	802,301	2,787,523
<i>Adjustments for:</i>		
Depreciation and amortisation	351,319	389,086
Interest received	(142,630)	(54,584)
Dividends received	(132,276)	(12,678)
Loss on disposal of financial assets	-	4,856
Unrealised market gain on financial assets	172,325	(55,114)
Interest charged on employee instrument loans	(1,761)	(2,162)
Interest charged on lease liabilities	8,620	12,912
Change in restricted cash	-	2,003,432
Net cash provided by operating activities before change in assets and liabilities	<u>1,057,898</u>	<u>5,073,271</u>
<i>Changes in assets & liabilities</i>		
Decrease in receivables	364,883	418,019
Decrease in other assets	35,107	231,650
(Increase) / decrease in payables	453,930	(268,352)
(Decrease) / increase in prepaid revenue	(13,627)	505,769
(Decrease) / increase in provisions	(2,379)	145,310
Changes in assets & liabilities	<u>837,914</u>	<u>1,032,396</u>
Net cash provided by operating activities	<u>1,895,812</u>	<u>6,105,667</u>

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

18 Key management personnel compensation

The following compensation was made to the 8 employees (2021: 8 employees) on the executive team for their contributions as employees for the Company.

	2022	2021
	\$	\$
Short term	1,478,482	1,387,040
Other employment benefits	<u>314,073</u>	<u>264,671</u>
	<u><u>1,792,555</u></u>	<u><u>1,651,711</u></u>

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

19 Related parties

a) Parent and ultimate controlling party

The ultimate controlling party is WASO Holdings Ltd.

During the year West Australian Symphony Orchestra Pty Ltd received funding of \$10,219,032 (2021 : \$9,977,825) from WASOHL.

b) Directors

Transactions with Directors

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.

During the year West Australian Symphony Orchestra Pty Ltd received donations from Directors totalling \$84,977 (2021 : \$58,864).

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.

At reporting date, the amounts receivable from WAVE totalled \$253,183 (2021: \$500,000). No expense has been recognised in the current period for bad or doubtful debts in respect of amounts owed by related parties.

The WASO Endowment Fund for the Orchestra Pty Ltd (WEFO) was created 10 May 2019 to promote, develop and maintain public appreciation of music and the arts and has the same ultimate parent as the Company. The Board are able to authorise an annual distribution of funding to the Company through the WEFO Spending Policy. During the year West Australian Symphony Orchestra Pty Ltd received funding of \$74,393 (2021 : \$Nil) from WEFO.

Notes to the financial statements

West Australian Symphony Orchestra Pty Ltd
Annual Financial Report 31 December 2022 ACN 081 230 284

19 Related parties (continued)

	Sale of goods and services		Purchase of goods and services	
	2022	2021	2022	2021
	\$	\$	\$	\$
Symphony Services Australia Ltd	-	-	987,405	655,328
WA Venues and Events Pty Ltd	379,765	374,893	957,397	1,237,959
WASO Endowment Fund for the Orchestra Pty Ltd	74,393	0	0	0

20 Commitments and contingencies

	2022	2021
	\$	\$
<i>Artist fees contracted for but not provided for and payable</i>		
Not later than one year	902,859	691,100
Later than one year and not later than five years	1,152,000	576,000
	2,054,859	1,267,100

The Company has entered into contracts for performances scheduled to take place during 2023 and subsequent years. These amounts include the maximum expenditure required to satisfy the contracts with the artists.

21 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 2021 to 31 December 2024. 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.

22 COVID-19

COVID 19 had an impact on the company's ability to maximise ticket sales from 5 March 2022 to 30 April 2022 while there were audience size restrictions in place. Losses on sales amounted to \$103,305 for this period.

23 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 2022 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 7 to 28 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 2022 and of its performance for the financial year ended on that date; and
 - (ii) complying with the Australian Accounting Standards – Simplified Disclosure Requirements 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

PP

Perth, dated 2 May 2023



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

To: the Directors of Western Australian Symphony Orchestra Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2022 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

A handwritten signature in blue ink, appearing to read 'M Hingeley', written in a cursive style.

Matthew Hingeley

Partner

Perth

2 May 2023



Independent Auditor's Report

To the members of West Australian Symphony Orchestra Pty Ltd

Opinion

We have audited the **Financial Report**, of the 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:

- i. giving a true and fair view of the Company's financial position as at 31 December 2022, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR)*.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2022.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration.

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 these requirements.



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.

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

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

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures Framework and the ACNC Act 2012 and ACNCR.
- ii. 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.
- iii. 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:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 this 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 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

2 May 2023