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**PERTH SYMPHONY ORCHESTRA LIMITED
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020
ACN 601 770 932**

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DIRECTORS' REPORT

The Directors of Perth Symphony Orchestra Limited ACN 601 770 932 (“the Company” or “PSO”) present their report together with the financial report of PSO for the 12-month period from 1 January 2020 to 31 December 2020 (hereafter referred to as the “financial year” or “FY20”) and the independent auditor’s report thereon.

Directors

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

Ms Joanne Claire Palmer	Appointed 18 November 2014
Ms Rachel Elizabeth Webster	Appointed 11 September 2014
Ms Niamh O’Connor	Appointed 28 March 2018 (Resigned 18 March 2021)
Mr Philip Andrew Thick	Appointed 18 November 2018
Mr Kim Grist	Appointed 17 September 2019
Mr Julian Donaldson	Appointed 19 February 2020
Dr Ashley Smith	Appointed 8 March 2020
Ms May Lin Chew	Appointed 9 August 2020

Patrons

Timothy Roberts remains Patron of Perth Symphony Orchestra after his appointment in July 2017.

Charles Hazelwood became Artistic Patron of Perth Symphony Orchestra in March 2019.

Secretaries

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

Ms Joanne Claire Palmer	Appointed 18 November 2014
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Qualifications and experience of Directors and Secretaries

Ms Joanne Palmer RCA, FCA (ICAEW & CAANZ), GAICD, BSc Hons (appointed 18 November 2014)

Joanne Palmer is a fellow of Chartered Accountants Australia and New Zealand (CAANZ), and currently an audit partner at Pitcher Partners in Perth. She is a chartered accountant. She was previously at EY for 19 years, seven as an equity partner, and led EY's Financial Accounting Advisory Services team in Perth.

At EY, prior to her role leading the Financial Accounting Advisory Services team, Joanne worked principally in the field of assurance and audit services. Joanne has almost 25 years' experience providing audit and assurance services on company listings, mergers, acquisitions and takeovers and has significant experience in auditing the operations of mining companies, particularly those that have international operations.

Ms Rachel ("Bourby") Webster MBA, BA Hons (Oxon), PGDip Perf. (RCM) (appointed 11 September 2014)

Bourby is a graduate of Oxford University in Music, the Royal College of Music in London in music performance (viola), and the University of Western Australia with an MBA for which she was awarded the Charles Harper Prize for contribution to the course and a Director's letter for academic achievement.

She has been a recording artist, professional musician, and worked in several corporate roles in Marketing and Business Development for both private companies including Moore Stephens, DTZ, BBC Television, and MWH Global; and not for profit organisations such as the WA Institute of Sport and the Perth Festival.

In 2008 she left employment to set up North Street Consulting and North Street Music, the former generating income to support the latter. North Street Music founded the Perth Symphony Orchestra which first performed in November 2011.

Bourby is on the Committee of the Oxford University Society in WA, plays viola in the Western Australian String Quartet, and lectures business skills to musicians at the WA Academy of Performing Arts. She is in demand as a producer, presenter and guest speaker.

Ms Niamh O'Connor (appointed 28 March 2018 (resigned 18 March 2021))

Niamh is the Director of Donald Cant Watts Corke's business, a multi-discipline advisory and project delivery firm that delivers strategic and innovative solutions in high risk projects in Western Australia and nationally.

From commencement of her role as director in 2017, Niamh has trebled the size of the WA PM Business through the principles of LEAN Six Sigma into an industry leader and long-term sustainable business.

Niamh is a member of Curtin University Project Management Advisory Board and a member of the Australian Institute of Company directors. Her skills include Strategic Planning, Governance, Project Management, Contract Negotiations, Procurement and Contract Management, Dispute Resolution, Risk Management, Independent Certification.

Mr Philip Andrew Thick (appointed 18 November 2018)

Phil is a Civil Engineer whose career commenced with Alcoa at their Kwinana alumina refinery. He then moved to Shell where he had a 20-year career in Australia and around the world and was Downstream Director for Shell Australia for his last 3 years. This was followed by a 5-year stint as CEO of Coogee Chemicals in Kwinana and then as Managing Director of New Standard Energy Limited, a junior listed oil and gas explorer based in Perth.

Phil joined Tianqi Lithium Australia as General Manager in August 2016. He is responsible for the construction and operation of the \$700 million Lithium Hydroxide Processing Plant in Kwinana, which commenced construction in October 2016.

In addition to his "day jobs" Phil has been on the Board of Avivo, one of WA's largest Not-for-Profits, for 10 years and Chairperson for the past 7 years. He has also had other Board roles with Esperance Port Authority, Disability Services Commission and Wesley College.

Mr Kim Grist (appointed 17 September 2019)

Kim was the founding partner of Grist Consulting where he recently passed the baton to Peter Grist who will lead the company and is now the major shareholder. Kim remains involved in the psychology of leadership, leadership coaching, goal setting and building accountability with executives who really want to make a difference through his new role at Ventana Consulting Group.

Kim has worked with many of Australia's leading organisations in the areas of business growth strategies, leadership development and organisational change. Kim is also engaged for coaching and mentoring of Senior Executives for performance improvement, communication, developing high performing teams and strategy and leadership.

Kim has a Bachelor of Science (Psychology) and a Master of Arts degree in Psychology from Oregon State University where he studied while on a Track and Field Scholarship. Kim has been a registered psychologist for 25+ years and he is considered one of the Australia's leading business development and change management consultants and psychologists.

Kim's work involves understanding his client's vision, mission and purpose and translating that into clear and concise business actions and strategies that will produce sustainable change for all stakeholders. He is employed by clients to assist their organisation get a broad level of 'buy-in' as he develops strategies for building an effective 'team' approach throughout the company.

Mr Julian Donaldson BA, Dip Ed, GAICD, M.ICOMOS (appointed 18 Feb 2020)

Julian is Chief Executive Officer of the National Trust of Western Australia. Julian's mission is to connect West Australians to their diverse natural and cultural heritage by illuminating the heritage values of National Trust places with stories and events. Through the National Trust's activation program, Julian's team manages the preservation of the significant places under the Trust's care for future generations to enjoy.

Prior to joining the National Trust Julian was the Chief Executive of the Perth International Arts Festival. During his tenure with Perth Festival, the festival grew its audience, artistic influence, reputation, community reach, and won substantial

increases in sponsorship and funding. Throughout the time Julian led the Perth Festival the community enjoyed a richly textured festival under several artistic directors, each of whom delivered a different and innovative programming intent.

A highlight for the community was Julian's leadership in winning support and funding to achieve the long-held ambition to bring Royal Deluxe's 'The Giants' to Perth in 2015. The successful and multi-award-winning co-presentation of REST with WA Youth Theatre Company at East Perth Cemeteries in the 2019 Fringe Festival spoke to Julian's ambition to invoke a valued sense of our heritage through a marriage of creativity and place.

Julian brings broad experience in governance and management in both the cultural and commercial sectors.

Dr Ashley Smith (appointed 8 March 2020)

Described as 'Incandescent... a masterly display of skill and insight... as an apologist for contemporary music-making, you would search hard to find this young clarinettist's equal' (The Age), clarinettist Ashley William Smith is an internationally demanded clarinet soloist and chamber musician. Ashley is a laureate of several the Australian industry's most prestigious prizes including the APRA Performance of the Year, the Music Council of Australia Freedman Fellowship, an ABC Symphony International Young Performer Award, and a Churchill Fellowship.

Ashley has performed throughout Australia, the USA, Europe and Asia in performances with Bang on a Can, the Chamber Music Society of the Lincoln Center, Chamber Music Northwest, the Kennedy Center, the Beijing Modern Music Festival, and IRCAM. As a soloist and director, he has performed alongside several international and Australian orchestras. His performance of Lachlan Skipworth's Clarinet Concerto with the West Australian Symphony Orchestra was awarded the APRA 2015 Performance of the Year.

Ashley is an Assistant Professor at the University of Western Australia where he is the Head of Winds and Contemporary Performance. A graduate of Yale University, the University of Western Australia, and a Fellow of the Australian National Academy of Music, Ashley was awarded the highest honours as the most outstanding performance graduate of each institution.

Ashley is passionate about fitness and in 2019 competed in Melbourne as a national finalist in the Australian Allstar CrossFit Masters.

Ms May Lin Chew (appointed 9 August 2020)

May Lin is an experienced international Energy, Oil & Gas, and Chemicals lawyer who is currently the General Counsel and Executive Manager of Governance & Assurance at Western Power where she leads the legal, company secretarial, governance, enterprise risk, forensic, corporate compliance and internal audit functions.

Prior to this, she was an international corporate lawyer with Shell for 17 years in the Singapore, London and The Hague offices advising on large scale infrastructure projects, M&A, Joint Ventures, Downstream Commercial and LNG trading & shipping deals. Her last role at Shell was as the Head of Legal for Shell's Singapore operations with additional oversight as Associate General Counsel for its multi-billion dollar global LNG trading and Shell Energy businesses. There she designed, implemented, resourced and managed the new global legal team advising the Shell Energy businesses on all legal, regulatory and compliance matters for delivering innovative, reliable and cleaner energy solutions through a portfolio of gas, power and environmental products.

Before Shell, May Lin worked in private practice at Minter Ellison (Perth) and Freshfields Bruckhaus Derringer (Tokyo).

Principal Activities

The vision of PSO is “To provide amazing experiences for everyone through music”.

The mission of PSO is ‘Music for Everyone’.

The principal activity of the Company during the year was the performance of orchestral music. In addition to the performance of music, PSO provides:

- Corporate Entertainment, including non-symphonic music
- Education & Community Engagement Programs
- New concert and event experiences, experimenting with formats, programs and presentation
- Musicians and ensembles for hire; and
- Concert programming, production and planning

There were no significant changes in the nature of the activities of the Company during the financial year, however, there was considerable disruption of the number, range and timing of activities due to COVID-19.

COVID-19 Disruption

In March 2019, faced with our busiest week in the orchestra’s history, we were forced to cancel three major performances and a significant regional tour due to the initial global shut down from COVID-19. Additional concerts were cancelled as the shut-down was prolonged.

A restructure was already planned for 2020, and this activity was expedited. Executive Director, Niamh O’Connor, was invited by the board to consult to the orchestra two days per week from May to oversee the planned restructure and support the CEO in the day to day running of the business.

The restructure - dividing the company into three business units: Make Money, Make Magic, and Run the Business - commenced roll-out in July 2020 and recruitment of new roles commenced with the help of Warner Consulting (WCA) in October 2020.

COVID-19 Financial support

Perth Symphony received immediate support from the Federal Government through the cash flow boost and Job Keeper. Only three employees were eligible for Job Keeper, so many staff had hours reduced because of COVID-19.

Lottery west grants were available to assist in recouping costs and providing resilience support. Perth Symphony was successful in receiving a grant of \$191,000 to assist the company in rebuilding and \$31,177 to cover cancellation costs.

The orchestra benefited from the Venue Waiver at HBF Stadium, enabling the orchestra to attract enough patrons to cover costs whilst maintaining social distancing. Across concerts, Perth Symphony received \$25,000 in support.

All sponsors and donors continued to support the orchestra throughout the pandemic and Perth Symphony is indebted to its partners and patrons for the loyalty and support shown across the year.

COVID-19 Performances

Perth Symphony joined forces with Phil Walleystack to undertake a regional tour in August 2020, one of the first arts companies to return to performing.

In August we also made a bold decision to announce Stardust: The Music of David Bowie the moment restrictions allowed. The concert required moving from The Astor Theatre to HBF Stadium to allow for social distancing and was a great success.

Between September and December Perth Symphony also made its Perth Concert Hall debut with Mozart by Candlelight inspired by Mozart in the Jungle, the novel by Blair Tindall; and performed Sweet Dreaming: Eurythmics Reimagined, also at HBF Stadium.

Of the 15 major performances or activities in 2020, 12 took place after the major lockdown, representing a significant achievement during an incredibly disrupted time with staff changes and the uncertainty of COVID-19 restrictions.

2020 Strategic Goals

2020 marked the first year of financial support from the WA State Government. As a result, the organisation commenced a new 3-year strategic plan. Whilst achieving the aspirational goals became challenging in a pandemic year, the organisation was still able to move forward.

Strategic Goal 1: To be recognised as a creative, innovative, high quality and professional orchestra

Measurements:

- a) Positive feedback from patrons noting quality and innovation
- b) Seven or more new or unique concert productions per year
- c) Maintain an NPS above 60. NPS stands for Net Promoter Score which is a metric used in customer experience programs. NPS measures the loyalty of customers to a company. NPS scores are measured with a single question survey and reported with a number from -100 to +100, a higher score is desirable. 50 is considered excellent and 70+ world class.
- d) Achieve at least 3.5-star ratings out of 5 stars for all reviewed performances.

Achievements:

- a) When surveyed post-concert, 78% of respondents said self-promoted concerts were well produced and presented and different to concerts they had experienced
- b) Perth Symphony produced four new concert productions
- c) The average NPS across all self-promoted concerts was 67.9
- d) The average for concerts reviewed (and rated) was 7/10 or 4 stars

Strategic Goal 2: Engage in meaningful projects with aboriginal and multicultural creatives and artists, other art forms and companies to celebrate WA culture and identity

Measurement:

- a) Three or more projects where Perth Symphony has collaborated with other organisations or individuals

Achievements:

- a) Perth Symphony worked with Perth Festival at the Perth Zoo on a unique “Wild Things” initiative for families involving numerous musicians
- b) Perth Symphony collaborated with Phil Walleystack for a regional tour
- c) Perth Symphony was invited to record the music for Snugglepoot and Cuddlepie for WA Ballet’s performance at the Awesome Festival
- d) Several musicians from diverse cultural backgrounds were invited to join Perth Symphony on stage for Eurythmics reimagined to continue to open the doors of the orchestra to all musicians who call WA home
- e) Perth Festival invited Perth Symphony to perform with Eskimo Joe for the launch of the new WA Museum, Boola Bardip.

Strategic Goal 3: Increase the reach of our performances each year

Measurement:

- a) Reach at least 75,000 patrons across the year

Achievements:

- a) Despite the challenges presented by COVID-19 and subsequent restrictions, Perth Symphony reached 67,567 patrons. This was largely due to our rapid response to restrictions easing and producing three consecutive concerts in the final three months of the year, as well as securing a new community Christmas concert. Agency bookings saw a significant increase in December for public performances.

Strategic Goal 4: To expand music performances to a total of 40 cities, towns or shires by 2022

Measurement:

- a) Reach two new communities in 2020

Achievements:

- a) Perth Symphony performed for audiences in the following outer metro or regional locations in 2020:
 - a. Karratha
 - b. Moora
 - c. Northam
 - d. Mandurah
 - e. Albany
 - f. Rockingham

Of these, Moora, Northam and Albany were visited for the first time.

Strategic Goal 5: Continue to attract a first-time audience to a symphonic concert

Measurement:

- a) Maintain the number of patrons who are experiencing an orchestra live in concert for the first time at self-promoted concerts, aiming for 10-15%.

Achievements:

- a) Of the three self-promoted concerts produced in 2020, the average first time audience members in attendance was 8.33%. This remains higher for contemporary concerts versus classical.

Strategic Goal 6: To create job opportunities for musicians / artists / creatives in WA

Measurements:

- a) Increase the total amount paid per year to musicians and artists by 10% from the previous year
- b) Engage more than 150 musicians across the year
- c) Engage or commission at least five creatives

Achievements:

- a) Despite the cancellation of three concerts, a regional tour due to the COVID-19 lockdown and public performance restrictions lasting six months, PSO was able to maintain the total amount paid to musicians and artists at 63% of the previous year's level
- b) Perth Symphony engaged 137 musicians across the year
- c) Perth Symphony engaged or commissioned the following creatives in 2020:
 - i. Gaetan Schurrer for INNEKA remixes.
 - ii. Composers Rebecca Erin Smith, Simon Kruit, Ash Gibson Greig, Callum O'Reilly and Klearhos Murphy as arrangers for Eurythmics and Bowie.

Perth Symphony Orchestra exists to showcase WA's incredible talent. We wish to acknowledge the enormous contribution of the musicians and recognise their remarkable performances across the year. Their commitment, passion and professionalism. At the Annual wRight Awards (musicians' awards), the following musicians were commended:

Artistic Recognition Award – Stephanie Nicholls, Oboe
Community Commitment Award – Sacha McCulloch, Cello
Spirit of PSO Award – Rick Webster, Guitar
wRight Award – Brian Kruger, Violin

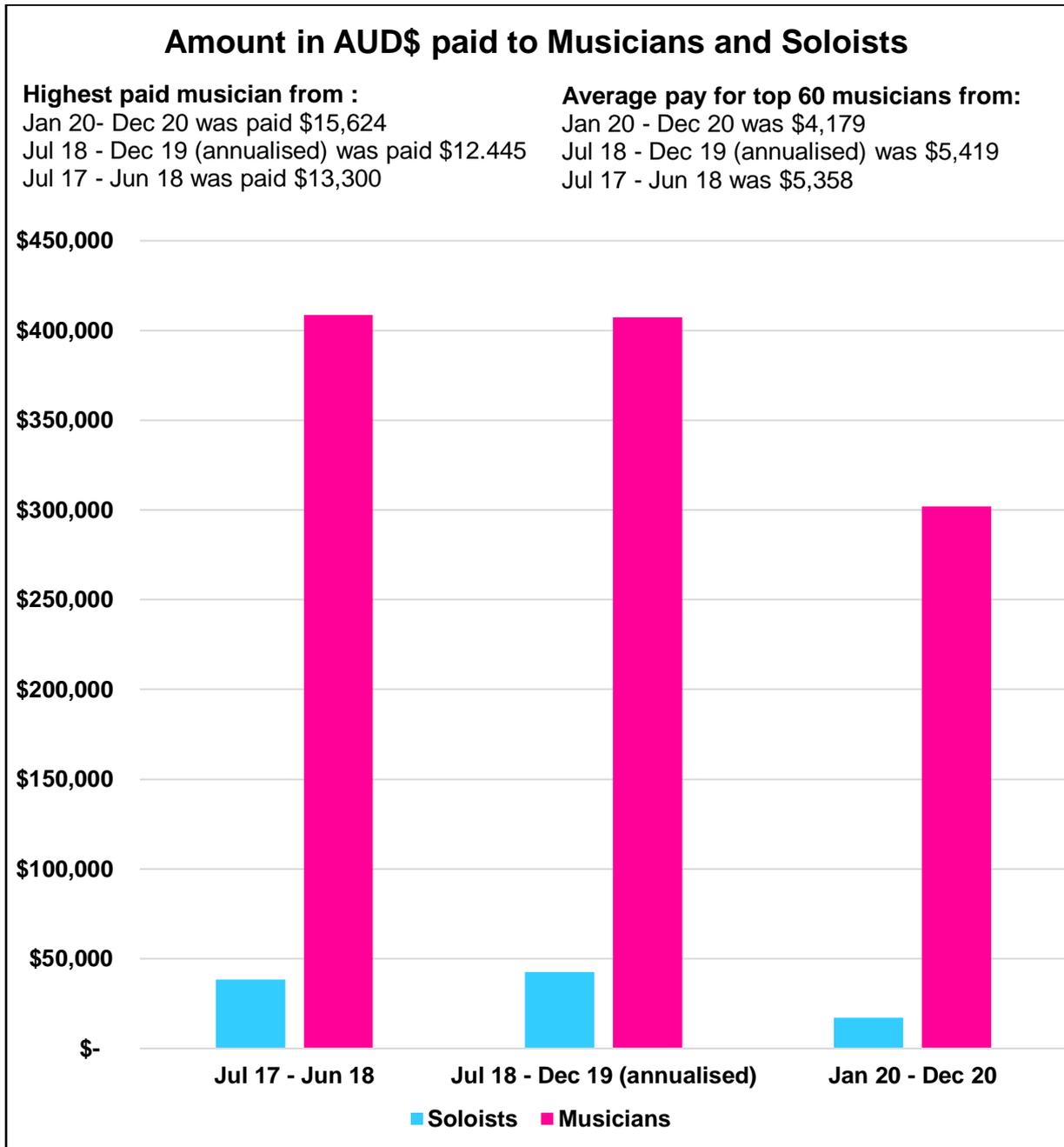


Chart 1: total \$ paid to musicians 2018, 2019 and 2020.

Review and results of operations

The profit for the Company for financial year was \$347,825 (FY19: \$70,642)

During FY20 PSO undertook the following programme of events and performances:

- Australian of the Year Breakfast
- Aussie Rock for Bayswater
- Romance on the Green for Rockingham
- Women on the Podium
- AIM WA and The West Australian's West Business Pinnacle Awards
- Snugglepot and Cuddlepie for WA Ballet
- Regional Tour with Phil Walleystack
- The Music of David Bowie
- Mozart by Candlelight
- WA Museum Recordings
- INNEKA Launch
- S.T.R.I.N.G.S at Red Earth Arts Festival for the Town of Karratha
- Sweet Dreaming: Eurythmics Reimagined
- Town of Claremont Christmas Carols
- Burswood Park Christmas Carols
- Love Actually in Concert
- Various education performances and workshops as part of the City of Rockingham concert packages
- 14 performances at Brightwater Aged Care Homes
- 12 Christmas performances for Brookfield Properties
- Various performances for small private functions

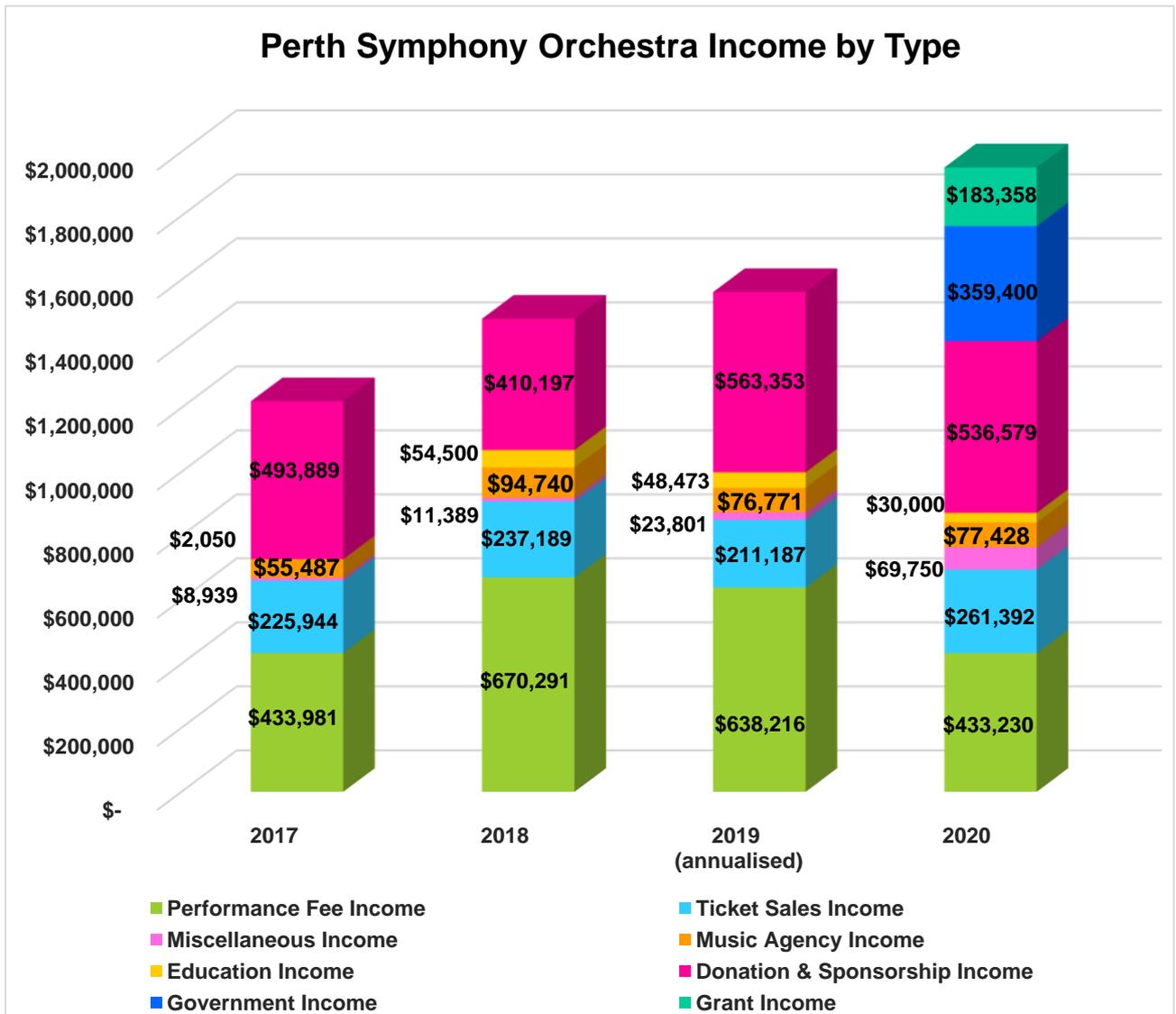


Chart 2: Income by type for 2017, 2018, 2019 vs 2020

PSO was successful in receiving its first government support and grant payments in FY2020.

Government Income:

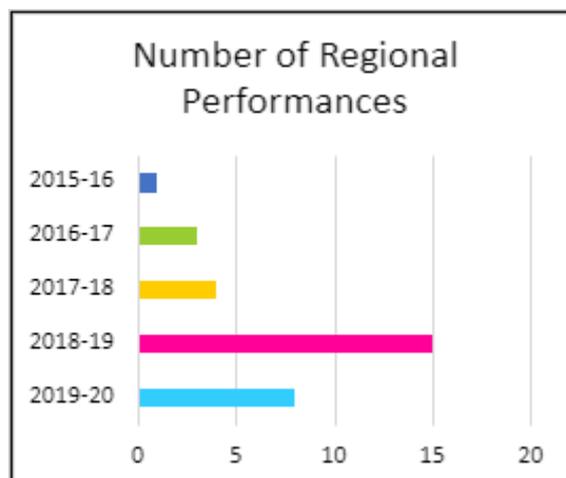
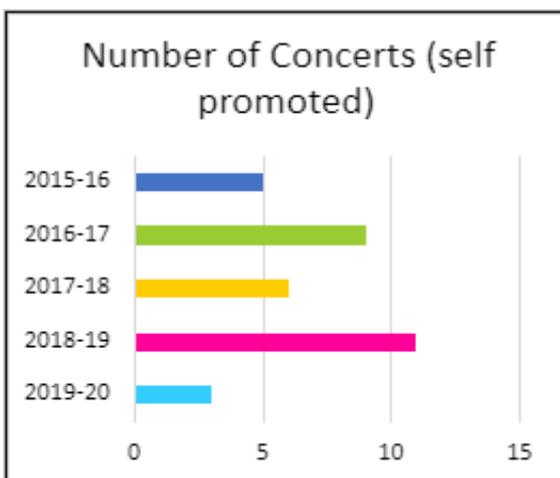
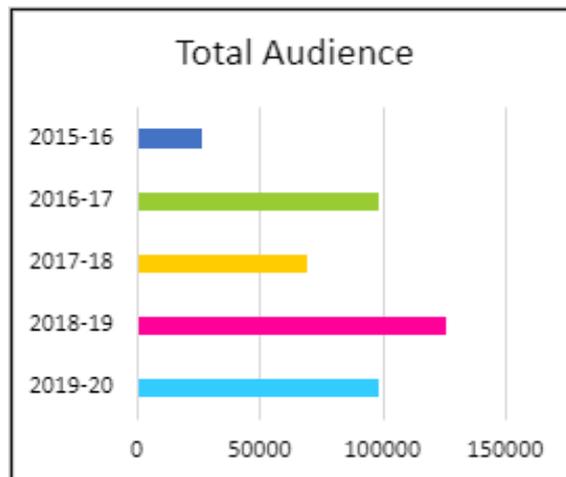
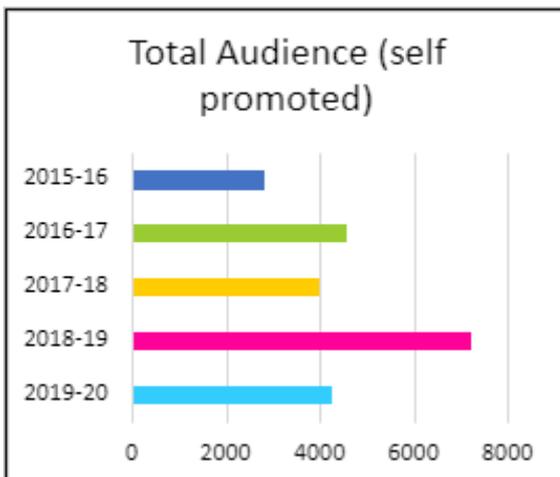
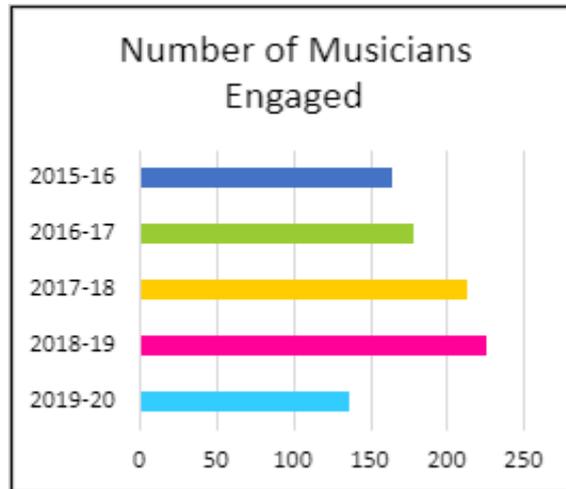
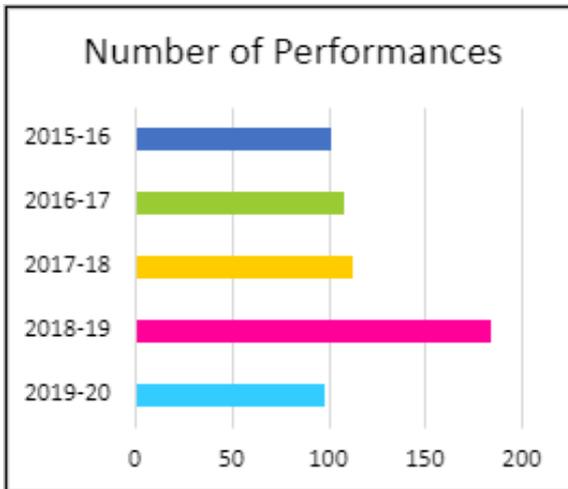
- a) WA Department of Local Government, Sports and Cultural Industries (DLGSC) through its Arts Organisations Investment Program (AOIP) of \$100,000
- b) Federal Government Covid-19 Cashflow Boost \$100,00
- c) Federal Government Covid-19 JobKeeper payment \$159,400

Grant Income:

- a) Lotterywest grant for the cancellation costs of three concerts totalling \$31,177
- b) Lotterywest Resilient Organisations grant payment of \$191,689. As at 31 December 2020 \$136,579 of this grant remains unspent and has been deferred to 2021
- c) DLGSC Regional Touring funding of \$65,603

Due to the Covid-19 lockdown and continuing capacity restrictions on venues, revenue from Performance Fees, Community Education, and Music Agency, Sponsorship and Ticket Sales was significantly lower compared to the previous two financial years.

Key performance data (note 18/19 was an 18-month period)



State of affairs

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

Non-cash contributions by Sponsors

During the year, the Company received non-cash contributions in the form of services with a fair value of \$78,439 (2019: \$83,147) from the following sponsors:

Third Party	Nature of service provided	Fair Value 12 mths ended 31 Dec 2020 \$	Fair Value 18 mths ended 31 Dec 2019 \$
AHG	Use of vehicle	15,000	22,500
Hall Chadwick	Audit Assurance services	10,000	10,000
MLC	Rehearsal Venue hire	810	-
Perth Concert Hall	Venue Hire	5,000	-
Scotch College	Rehearsal Venue hire & Office space	500	40,647
Venues West	Venue Hire	20,468	-
Volunteers	Ushering, Merchandise Sales volunteer hours	16,161	-
Warner Consulting	Recruitment Services	10,500	10,000

The Board would like to thank our sponsors for their ongoing support.

Events subsequent to reporting date

Except as otherwise disclosed in the notes to the financial statements, 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 the Statement of Financial Position.

Likely developments

The Company, COVID-19 restrictions permitting, will continue to deliver high quality performances of symphonic and non-symphonic music as well as its education and community engagement programmes during the next financial year. As at the date of this report, PSO, in common with many other non-for-profit (and for profit) organisations, is operating in a time of heightened business risk, the Company is not currently in a position to reliably measure or accurately predict the impact that the COVID-19 pandemic may have on future activities, or on the timing of the delivery of our program of concerts.

Capital

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

Directors' meetings

The number of directors' meetings held during the financial year, and the number of meetings attended by each director, were as follows:

<u>Director</u>	<u>No. of meetings attended</u>	<u>No. of meetings held during office</u>
Ms Joanne Claire Palmer	7	8
Ms Rachel Elizabeth Webster	8	8
Ms Niamh O'Connor	7	8
Mr Philip Andrew Thick	7	8
Mr Kim Grist	6	8
Mr Julian Donaldson	6	7
Dr Ashley Smith	6	7
Ms May Lin Chew	2	2

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 17.

Indemnification and insurance of directors'

The Company has 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. The indemnity does not extend to any claim arising out of conduct involving a lack of good faith or breach of duty.

During the financial year, the Company paid premiums in respect of directors' and officers' liability, legal expenses and insurance contracts with the next annual premiums due in December 2021. Such insurance contracts insure persons who are or have been directors or officers of the Company 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 51 and forms part of this report.

Signed in accordance with a resolution of the directors:



Philip Andrew Thick
Chairman

Perth, dated: 26th August 2021

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
12 MONTH PERIOD ENDED 31 DECEMBER 2020**

	Notes	12 mths ended 31 Dec 2020	18 mths ended 31 Dec 2019
		\$	\$
Revenue			
Performance fees and ticket sales	4	694,622	1,274,104
Sponsorships and donations	5	536,579	845,029
Music agency		77,428	115,157
Education programmes		30,000	72,709
Government Income	6, 9	359,400	-
Grant Income	7, 9	183,358	-
Other revenue	9	69,750	35,702
Total revenue		1,951,137	2,342,701
Expenses			
Player and artist expenses		336,233	675,171
Production expenses		197,096	297,997
Marketing & Media expenses		33,936	47,780
Player travel & accommodation expense		16,332	19,698
Sound and stage expense		101,422	108,647
Transport and logistics expense		15,000	22,500
Venue and office hire expense		27,132	124,686
Accounting and audit expenses		32,602	27,936
Employee expenses		653,131	802,770
Insurance		32,706	35,461
Legal Expenses		4,638	10,110
Other expenses		155,307	102,457
	10	1,605,534	2,275,302
Results from operating activities		345,602	67,397
Net finance income	8	2,223	3,245
Profit for the year		347,825	70,642
Other Comprehensive Income		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		347,825	70,642

The accompanying notes form part of this financial report.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	31 Dec 2020	31 Dec 2019
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	16	1,034,544	633,607
Trade and other receivables	11(a)	133,209	78,882
Inventories		2,946	2,946
Prepayments	11(b)	29,472	26,330
Total current assets		1,200,171	741,765
Non-current assets			
Property, plant and equipment	12	11,453	20,646
Intangible assets	13	-	-
Total non-current assets		11,453	20,646
Total assets		1,211,624	762,411
Liabilities			
Current liabilities			
Trade and other payables	14	168,739	116,358
Deferred Income	15	302,340	282,568
Payroll Liabilities		41,808	12,574
Total current liabilities		512,887	411,500
Total liabilities		512,887	411,500
Net Assets		698,737	350,911
Equity			
Reserves		-	-
Retained Profits		698,737	350,911
Total Equity		698,737	350,911

The accompanying notes form part of this financial report.

**STATEMENT OF CHANGES IN EQUITY FOR THE 12 MONTH PERIOD ENDED
31 DECEMBER 2020**

FY20:	Retained profits	Total Equity
	\$	\$
At 1 July 2019	350,911	350,911
Comprehensive income for the period:		
Net profit	347,825	347,825
Other comprehensive income	-	-
Total comprehensive income for the period	347,825	347,825
As at 31 December 2020	698,737	698,737

FY19:	Retained profits	Total Equity
	\$	\$
At 1 July 2018	280,269	280,269
Comprehensive income for the period:		
Net profit	70,642	70,642
Other comprehensive income	-	-
Total comprehensive income for the period	70,642	70,642
As at 31 December 2019	350,911	350,911

The accompanying notes form part of this financial report.

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	12 mths ended 31 Dec 2020	18 mths ended 31 Dec 2019
		\$	\$
Cashflows from operating activities			
Cash receipts from customers		741,291	1,594,878
Cash receipts from sponsors and donors		553,087	804,888
Cash receipts from government & grants		679,337	-
Cash payments to suppliers, players and artists		(1,574,346)	(2,121,327)
Net cash provided by operating activities	16	399,369	278,440
Cashflows from investing activities			
Interest received		2,223	3,245
Payments for property, plant & equipment		(655)	(5,178)
Net cash used in investing activities		1,568	(1,933)
Cashflows from financing activities			
Related party loan repayments		-	-
Net cashflows used in financing activities		-	-
Net increase in cash held		400,937	276,506
Cash and cash equivalents at the beginning of the period		633,607	357,101
Cash and cash equivalents at the end of the period	16	1,034,544	633,607

The accompanying notes form part of this financial report.

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Perth Symphony Orchestra Limited is a public company limited by guarantee, incorporated and domiciled in Australia. The address of the registered office is:

HALL CHADWICK 'BARRINGTONS HOUSE'
283 ROKEBY ROAD, SUBIACO WA 6008

The nature of the operations and the principal activities of the Company during the year was the performance of Symphonic music. In addition to the performance of Symphonic music, PSO additionally provided:

- Corporate Entertainment, including non-symphonic music;
- Education & Community Engagement Programs;
- New concert and event experiences, experimenting with formats, programs and presentation;
- Musicians and ensembles for hire; and
- Concert programming, production and planning.

The Company is a not-for-profit organisation registered under the Charities and Not-for-profits Commission ("ACNC").

2 BASIS OF PREPARATION

Statement of compliance

The Company is a not-for-profit, private sector entity which is not publicly accountable. Therefore, the financial statements for the Company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (Including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not for Profits Commission Act 2012. This financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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 more relevant information supports a retrospective adjustment. New and Amended Standards and Interpretations: The Group has adopted all new accounting standards and interpretations that were applicable for the year ended 31 December 2020.

All other standards and adjustments adopted in this financial year did not have a material impact on the financial statements' presentation and/or disclosure for 2019.

The financial statements presented are for the 12 month period commencing 1 January 2020 and ending on 31 December 2020 (hereafter referred to as the "financial year" or "FY20"). The comparatives are for the 18 months ended 31 December 2019 ("2019" or "FY19").

The financial statements were authorised for issue by the Board of Directors on [enter date].

Basis of measurement

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

e) 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. Revisions to accounting estimates are recognised in the period 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.

b) 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.

c) Estimate of useful lives

The estimation of useful lives of assets is based on historical experience. The condition of the 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

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the ACNC Act and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

New standards adopted as at 1 January 2020 (applicable for years commencing on or after 1 January 2020).

The Company has consistently applied the accounting policies set out in Note 2 to all periods presented in these financial statements. The Company has adopted AASB15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases for the first time from 1 January 2019. These new accounting policies and their impact on the reporting of the Company are outlined below.

e) Going concern

The financial report has been prepared using the going concern basis. As at 31 December 2020, the Company had net current assets of \$687,284 (FY19: \$330,266) and had generated \$399,369 (FY19: \$278,440) in cash from operating activities after receiving the following amounts in sponsorship and donations:

Cash receipts, totalling \$553,087 (FY19: \$761,882); and

Non-cash contributions of services with a fair value of \$78,439 (FY19: \$83,147).

PSO, in common with many other non-for-profit (and for profit) organisations, is operating in a time of heightened business risk, the Company is not currently in a position to reliably measure or accurately predict the impact that the COVID-19 pandemic may have on future activities, or on the timing of the delivery of our program of concerts.

Notwithstanding, the above, the ability of the Company to pursue its medium-term objectives is dependent on the continuing support of its existing sponsors and the introduction of new sponsorships and donations. In the Directors' opinion there is a reasonable expectation that adequate sponsorship and donations will become available when necessary, otherwise the Company will reduce its operating activities accordingly.

3 SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition/ deferred income

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. AASB 1058 establishes principles for not-for-profit entities that apply to revenue streams which are either not enforceable or do not have sufficiently specific performance obligations to fall within AASB 15.

AASB 1058 also applies to:

- 1) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for profit entity to further its objectives; and
- 2) the receipt of volunteer services.

If the consideration provided to acquire an asset, including cash, is significantly less than the fair value of that asset, or if no consideration was provided, and the difference is principally to enable the entity to further its objectives, such a transaction is within the scope of this Standard.

Revenue is measured at the fair value of the consideration received or receivable. Amounts are disclosed net of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

i. Government funding revenue

Funding revenue is received from the WA Department of Local Government, Sports and Cultural Industries. Funding is received based on payment schedules contained in a funding agreement between the funding body and PSO. The revenue is recognised in the calendar year for which it is intended under the terms of the agreement. Any funding not spent on the planned activities agreed between the parties at the start of each calendar year is required to be repaid. In response to the impact of the COVID-19 pandemic, the Company received a Cashflow Boost payment and JobKeeper subsidies in respect of eligible employees (see Note 9). This revenue is recognised in the calendar year in which the employee costs are recognised.

ii. Government grants

Where there is an enforceable agreement with sufficiently specific performance obligations, grant revenue is recognised under AASB 15 in line with the completion of those performance obligations. Typically, these will require the completion of one or more specific performances, programs or activities by the Company over a specified time period.

The transaction price is considered to be the value of the grant as specified in the agreement. This will be allocated to each specific performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for completing each specific performance, program or activity.

In June 2020 Lotterywest provided PSO with a covid resilience grant of \$191,689. As of 31 December 2020, \$136,579 of this grant was unspent. Under AASB 1058, \$55,110 was recognised as Revenue and \$136,579 was recognised as deferred income under Grants in Advance.

iii. Ticket sales

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

iv. Sponsorship, Trusts & Foundations and donations

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

Trusts & Foundations – where grants from Trusts & Foundations are enforceable and specific, revenue is recognised under AASB 15 once the performance obligations outlined in the contract have been met. When the grant is received before the performance obligations are fulfilled, the Company recognises the received consideration as prepaid revenue. Where grants are not enforceable or are provided without specific performance obligations revenue is recognised when payment of the grant is received.

Donations and Bequests – donations and bequests received without an obligation attached and/or considered non-enforceable are recognised under AASB 1058 as revenue when the Company obtains control of the contribution and its amount can be reliably measured. For non-reciprocal donations, this is generally when the cash is received.

In-kind Donations and Sponsorship - PSO receives "in-kind" services and goods from several individuals and organisations to enable it to achieve its objectives. Where the services would have been purchased otherwise and the fair value of those services can be measured reliably these in-kind services are recognised as a revenue with an associated expense in accordance with AASB 1058. Note 16 to the Financial Statements provides a listing of all in-kind services received.

v. Performance fee income

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

A performance contract was cancelled due to Covid-19 lock-down restrictions, the contract included 'sufficiently specific' performance obligations and was therefore account for under AASB 15. The performance fee income of \$76,000 was initially recognised as prepaid income. On cancellation of the performance a refund of \$20,000 was paid to the client and \$56,000 was recognised as revenue.

vi. Interest income

Revenue 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.

vii. Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The surplus or deficit on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

b) Foreign currency translation

Both the functional and presentation currency of the Company is Australian dollars.

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 gain 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 are 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.

Revenue, 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 liabilities in the Statement of Financial Position. Cashflows are included in the statements of cashflows on a gross basis. The GST components of cashflows arising from investing and financing activities which is recoverable from, or payable to, the ATO are classified as operating cashflows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

d) Acquisition 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 short-term deposits in the balance sheet comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less.

f) Trade and other receivables

The Company recognises trade receivables at invoice date given this represents the date the Company establishes a contractual right of receipt. Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance (the "loss allowance") for any uncollectible amounts.

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience and external indicators to calculate the expected credit losses.

g) Inventories

Inventories are required to be valued at the lower of cost and current replacement cost. Costs incurred in bringing each product to its present location and condition. Current replacement cost is the cost that would be incurred to acquire the inventories at reporting date. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Plant & equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Sheet Music Library: 10 years
- Other Plant & Equipment: 5 years

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

i) Intangible assets

Intangible assets comprise software licences 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 three years.

j) Impairment of plant and equipment

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.

k) Leases

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 assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Company does not recognise leases that have a lease term of 12 months or less or are of low value as a right of use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the Statement of Profit or Loss and Other

Comprehensive Income on a straight-line basis over the lease term.

The organisation leases office premises and has the right of use of a car that have lease terms of 12 months or less.

l) Trade and other payables

Trade payables and other payables are carried at amortised costs and 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.

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.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a borrowing cost.

n) Employee benefits

Wages and salaries and annual leave

The provisions for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the reporting date. These are calculated at undiscounted amounts based on compensation rates that the Company expects to pay, including related on-costs.

Long service and annual leave

The long service and annual leave liability represent 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 corporate bonds 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.

Superannuation

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.

(o) New and amended standards adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations and effective for the current annual reporting period.

The adoption of these amendments did not have any significant impact on the financial performance or position of the Company during the financial year.

(p) Standards issued but not yet effective

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

4 PERFORMANCE FEES AND TICKET SALES

	12 mths ended 31 Dec 2020	18 mths ended 31 Dec 2019
	\$	\$
Performance fees	453,230	957,324
Ticket sales	261,392	316,780
Total performance fees and ticket sales	<u>714,622</u>	<u>1,274,104</u>

5 SPONSORSHIPS AND DONATIONS

	12 mths ended 31 Dec 2020 \$	18 mths ended 31 Dec 2019 \$
Sponsorships	359,1166	550,551
Donations	177,414	294,748
Total sponsorships and donations	536,580	845,029

6 GOVERNMENT INCOME

	12 mths ended 31 Dec 2020 \$	18 mths ended 31 Dec 2019 \$
Federal Government:		
Cashflow Boost	100,000	-
JobKeeper Payments	156,900	-
State Government:		
DLGSC Funding	100,000	-
COVID-19 Small Business Stimulus	2,500	-
Total government income	359,400	-

7 GRANT INCOME

	12 mths ended 31 Dec 2020 \$	18 mths ended 31 Dec 2019 \$
COVID-19 Concert Cancellation Support	31,177	-
DLGSC – Regional Touring	65,603	-
Lotterywest – Covid -19 Resilience Grant	55,110	-
Women on The Podium Grant	29,968	-
Other Income	1,500	-
Total grant income	183,358	-

8 FINANCE INCOME AND FINANCE EXPENSES

	12 mths ended 31 Dec 2020 \$	18 mths ended 31 Dec 2019 \$
Finance income:		
Interest income	2,223	3,245
Net finance income	<u>2,223</u>	<u>3,245</u>

9 COVID-19 RELATED PAYMENTS

	12 mths ended 31 Dec 2020 \$	18 mths ended 31 Dec 2019 \$
Ticket Sale Donated Income	9,788	
Government Payments	259,400	-
Grant Payments	86,287	-
Other Income	25,468	-
Total COVID-19 related payments	<u>380,943</u>	-

Due to the COVID-19 lockdown in March 2020 3 concerts were cancelled. Ticket holders were offered a refund with an option to donate the refund to Perth Symphony, a total of \$20,000 was donated. Lotteries West provided grants for the cancellation costs of three concerts totalling \$31,177.

Reduced capacity regulations were in place due to COVID-19. The West Australian government venues waived hire their hire fees for the following concerts: Mozart by Candlelight, Stardust: The Music of Bowie and Sweet Dreaming: Eurythmics Reimagined. Total amount of hire fees waived for the year ending 31 December 2020 was \$25,468.

Lotterywest provided Perth Symphony with a \$191,689 grant under its resilient organisations program. As at 31 December 2020, \$136,579 of this grant remains unspent and has been deferred to 2021.

10 EXPENSES

The net profit from operating activities has been arrived at after charging the following items:

	12 mths ended 31 Dec 2020	18 mths ended 31 Dec 2019
	\$	\$
Depreciation:		
Music Library Scores	1,774	2,632
Plant & Equipment	5,280	8,535
Computers	2,793	5,332
	9,847	16,499
Amortisation of Intangible Assets	-	2
Total Depreciation and Amortisation	9,847	16,501
Operating Lease rental expense	15,000	63,000
Employee expenses:		
Wages & Salaries	564,500	682,467
Superannuation - Staff	48,922	65,373
Superannuation - Musicians	32,739	53,928
Leave Pay Accrual Expense	6,163	852
Staff Travel & Phone Allowance	807	150
	653,131	802,770

The Company had twelve employees at the end of FY20.

11 TRADE, OTHER RECEIVABLES AND PREPAYMENTS

a) Trade and other receivables

	31 Dec 2020	31 Dec 2019
	\$	\$
Current		
Trade debtors	62,655	77,794
Provision for impairment loss	-	-
Carrying amount of trade receivables	62,655	77,794
Accrued revenue	63,200	-
Other receivables	7,354	1,088
Total trade and other receivables	133,209	78,882

Past due but not impaired:

	31 Dec 2020	31 Dec 2019
	\$	\$
Trade debtors ageing:		
0 to 30 days	31,975	66,618
31 to 60 days	30,000	150
61 to 90 days	-	4,808
Over 90 days	680	6,218
Total trade receivables	62,655	77,794

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

b) Prepayments

	31 Dec 2020	31 Dec 2019
	\$	\$
Other	29,472	26,330
Total prepayments	29,472	26,330

12 PROPERTY, PLANT & EQUIPMENT

Reconciliation of carrying amounts at the end of the year:

	Music Library Scores \$	Plant & Equipment \$	Computer \$	Total \$
As at 31 Dec 2019, net of accumulated depreciation and impairment	10,444	5,979	4,223	20,646
Additions	-	655	-	655
Depreciation expense	(1,774)	(5,280)	(2,793)	(9,847)
Balance as 31 December 2020 net of accumulated depreciation	8,671	1,353	1,429	11,453

At 31 December 2020

Cost	17,739	22,231	12,562	52,532
Accumulated depreciation	(9,069)	(20,878)	(11,132)	(41,079)
Net carrying amount	8,671	1,353	1,429	11,453

	Music Library Scores \$	Plant & Equipment \$	Computer \$	Total \$
As at 30 June 2018, net of accumulated depreciation and impairment	12,269	13,678	6,020	31,967
Additions	807	836	3,535	5,178
Depreciation expense	(2,632)	(8,535)	(5,332)	(16,499)
Balance as 31 Dec 2019 net of accumulated depreciation	10,444	5,979	4,223	20,646
At 31 Dec 2019				
Cost	17,739	21,577	12,562	51,878
Accumulated depreciation	(7,295)	(15,598)	(8,339)	(31,232)
Net carrying amount	10,444	5,979	4,223	20,646

	31 Dec 2020	31 Dec 2019
3 INTANGIBLE ASSETS	\$	\$
Opening balance, net of accumulated depreciation and impairment	-	2
Additions	-	-
Amortisation charge for the period	-	(2)
Balance as 30 June net of accumulated depreciation	-	-
At 31 December:	31 Dec 2020	31 Dec 2019
	\$	\$
Cost	9,352	9,352
Accumulated depreciation	(9,352)	(9,352)
Net carrying amount	-	-

Intangible assets comprise web-based design costs.

	31 Dec 2020	31 Dec 2019
14 TRADE AND OTHER PAYABLES	\$	\$
Current		
Trade creditors	74,752	34,621
Other payables	74,987	33,273
Accruals	19,000	48,464
Total trade and other payables	168,739	116,358

Trade and other payables will be settled within 60 days. Due to the short-term nature of these payables, the carrying value is considered to approximate their fair value.

15 DEFERRED INCOME

	31 Dec 2020	31 Dec 2019
	\$	\$
Unearned sponsorships	41,953	78,718
Unearned other	3,000	1,500
Grants in Advance	136,579	-
Prepaid other	45,833	7,000
Prepaid Income (i)	74,975	195,350
Total prepaid revenue	302,340	282,568

(i) Prepaid Income

	31 Dec 2020	31 Dec 2019
	\$	\$
Prepaid Concert Income for 2020	-	195,350
Prepaid Concert Income for 2021	74,975	-
	74,975	195,350

16 CASHFLOW STATEMENT RECONCILIATION

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

(a) Reconciliation of cash

	31 Dec 2020	31 Dec 2019
	\$	\$
Cash	1,034,544	633,307

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

	12 mths ended 31 Dec 2020 \$	18 mths ended 31 Dec 2019 \$
Net profit	347,826	70,643
Adjustments for:		
Depreciation and amortisation	9,847	16,501
Interest received	(2,223)	(3,245)
Net cash provided by operating activities before change in assets and liabilities	355,450	83,899
Changes in assets & liabilities:		
Decrease/ (increase) in receivables	(54,327)	(73,310)
Decrease/ (increase) in other assets	(3,142)	(22,476)
Decrease/ (increase) in inventory	-	87
(Decrease)/ increase in payables	52,381	75,790
Increase in employee entitlements	29,234	927
(Decrease)/ increase in deferred income	19,772	213,523
Changes in assets & liabilities	43,918	194,541
Net cash provided by operating activities	399,368	278,440

Non-cash transactions

During the year, the Company received non-cash contributions in the form of services with a fair value of \$78,439 (2019: \$83,147) from the following sponsors:

Third Party	Nature of service provided	Fair Value 12 mths ended 31 Dec 2020 \$	Fair Value 18 mths ended 31 Dec 2019 \$
AHG	Use of vehicle	15,000	22,500
Hall Chadwick	Audit Assurance services	10,000	10,000
MLC	Rehearsal Venue hire	810	-
Perth Concert Hall	Venue Hire	5,000	-
Scotch College	Rehearsal Venue hire & Office space	500	40,647
Venues West	Venue Hire	20,468	-
Volunteers	Ushering, Merchandise Sales volunteer hours	16,161	-
Warner Consulting	Recruitment Services	10,500	10,000

17 DIRECTORS AND EXECUTIVE DISCLOSURES

Details of key management personnel

Directors:

Ms Joanne Claire Palmer	Appointed 18 November 2014
Ms Rachel Elizabeth Webster	Appointed 11 September 2014
Ms Niamh O'Connor	Appointed 28 March 2018 (resigned 18 March 2021)
Mr Philip Andrew Thick	Appointed 18 November 2018
Mr Kim Grist	Appointed 17 September 2019
Mr Julian Donaldson	Appointed 19 February 2020
Dr Ashley Smith	Appointed 8 March 2020
Ms May Lin Chew	Appointed 9 August 2020

Executives:

Ms Rachel Webster

Ms Tina Nguyen

Ms Georgina Harvey

Ms Nicky Sudmeyer

Founder & CEO

General Manager (contract ended 18 May 2020)

Brand & Development Manager (commenced 3 November 2020)

Finance & Operations Manager (commenced 1 December 2020)

	12 mths ended 31 Dec 2020 \$	18 mths ended 31 Dec 2019 \$
Compensation of key management personnel	178,796	306,516

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

18 RELATED PARTIES

a) Directors

Transactions with Directors

During the financial year, Ms Webster contributed cash donations to the Company of \$1,750 (FY19: \$1,500). Ms. Webster was paid \$3,966 (FY19 \$2,810) in performance fees as a musician.

Mr Phil Thick contributed cash donations to the Company of \$5,000 (FY19 \$5,000).

Mr Kim Grist contributed cash donations to the Company of \$5,000 (FY19: nil).

b) Others

NSM in which Ms Bourby Webster is a Director, was paid \$5,446 for Music Arrangements (FY19 \$25,135).

Transactions between the Company, the Directors and the entities of which the Directors have declared an interest, are transacted under normal terms and conditions of business.

19 COMMITMENTS AND CONTINGENCIES

Operating lease commitments

	31 Dec 2020	31 Dec 2019
	\$	\$
One year or less	20,000	38,500
From one to five years	-	-
Over five years	-	-
Total lease commitments	-	-

The Company has an MOU for the sub-lease for 525 Stirling Highway, Cottesloe with Warburton Giving. This lease is for a period of 1 year and renewable at the option of Warburton Giving. This MOU was entered into on 13 December 2020 and will be in effect until 13 December 2021.

Scotch College provides a Rehearsal base until March 2020 and MLC from September 2020 for PSO free of charge.

Royalty payable to Ms Webster

Under the Restated Agreement, as described in prior year financial reports, Ms Rachel Elizabeth Webster is entitled to a Founder Royalty. If the Agreement is terminated by NSM in the first three years no such royalty is payable.

The Founders Royalty acknowledges that Ms Rachel Elizabeth Webster and/or her Affiliates have created Perth Symphony Orchestra and Perth Chamber Orchestra and have contributed the entire Perth Symphony Orchestra and Perth Chamber Orchestra enterprises to the Company in conjunction with ongoing support. In agreeing to the Founder Royalty, the Board at the time recognised that the

Company would not likely develop as the parties' desire without this immediate ongoing support of Ms Webster following the Company's incorporation.

Under the Restated Agreement:

- (1) The Founders Royalty is payable from the date the Agreement is terminated, or otherwise expires, and shall continue for a minimum of 5 years) plus 1 year for every year the Agreement was in place' to a maximum period of 10 years from the expiry or termination of the Agreement.
- (2) The Founders Royalty is the greater of:
 - a) 1% of gross revenue (excluding sponsorships, donations, sale of assets or contributions/gifts in kind); and
 - b) an amount equivalent to a principal player fee per concert up to a maximum amount of \$1,000 per event or per season.

20 FINANCIAL RISK MANAGEMENT

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

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:

	31 Dec 2020	31 Dec 2019
	\$	\$
Fixed rate instruments		
Financial assets	<u>203,555</u>	<u>201,179</u>
Variable rate instruments		
Financial assets	<u>719,386</u>	<u>354,144</u>

The weighted average interest rate at 31 December 2020 was 0.08% (31 Dec 2019: 0.4%). The Company regularly analyses its interest rate exposure to ensure that it achieves the best available position.

Interest rate sensitivity

The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date. The 0.25% and 0.1% sensitivity ranges are based on reasonably possible changes, over a financial year, using an observed range of historical 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 the financial assets of the Company would have been affected as follows:

	31 Dec 2020	31 Dec 2019
	\$	\$
Judgements of reasonable possible movements:		
Net profit – higher/ (lower)		
+0.25%	2,307	1,388
-0.25%	(2,307)	(1,388)
+0.1%	923	556
-0.1%	(923)	(556)

b) 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.

c) Credit risk exposure

Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The Company holds all its banking with ANZ.

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

		31 Dec 2020	31 Dec 2019
		\$	\$
Cash and cash equivalents	16	1,034,544	633,607
Trade and other receivables	11	133,209	78,882
Related party loans & receivables	18	-	-
		1,167,753	712,489

d) Capital management and liquidity risk

The Company does not have any share capital. The Company's liquidity objective is to secure sufficient funding from private and other sources and to grow its cash reserves. In addition, under the existing Agreement with NSM, the Company is not exposed to the risk of underwriting events, instead operating as an "Orchestra for hire" unless at a future time sufficient cash balance can support such a position.

e) Exchange rate risk

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

21 AUDITOR'S REMUNERATION

	12 mths ended	18 mths ended
	31 Dec 2020	31 Dec 2019
	\$	\$
Hall Chadwick Audit (WA) Pty Ltd		
Audit	5,275	6,310
In Kind	10,000	10,000
	15,275	16,310

22 SUBSEQUENT EVENTS

Except as otherwise disclosed in the notes to the financial statements, no events have occurred after the 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

In the opinion of the directors of Perth Symphony Orchestra Limited:

- a) The Company is not publicly accountable.
- b) The financial statements and notes that are set out on pages 20 to 51 are in accordance with the Australian Charities and Non-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 year ended 31 December 2020; 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:



Phil Thick
Chairman
Perth, 26th August 2021

**AUDITOR'S INDEPENDENCE DECLARATION
PERTH SYMPHONY ORCHESTRA LTD**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Perth Symphony Orchestra Limited. As audit partner of Perth Symphony Orchestra Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682



Nikki Shen
Director

Dated 26 August 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PERTH SYMPHONY ORCHESTRA LIMITED**

Report on the Financial Report

Opinion

We have audited the financial report of Perth Symphony Orchestra Limited ("the company"), comprising the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of Perth Symphony Orchestra Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act), including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and have determined the accounting policies used are consistent with its financial reporting requirements, and have determined that the basis of preparation is appropriate to meet the requirements of the Australian Charities and Not-For-Profits Commission Act 2012. The directors' responsibility also includes such internal control as management determines necessary to enable the preparation of financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole are 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 and are considered material if, individual or in 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of management's 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 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 company to cease to continue as a going concern.

We 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.

**PERTH
SYMPHONY
ORCHESTRA**

CELEBRATING
10 YEARS



HALL CHADWICK

We obtain sufficient appropriate audit evidence regarding the financial information or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with management 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.

Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682

Nikki Shen
Director

Dated 26 August 2021

**PERTH
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10 YEARS

