

Canberra Symphony Orchestra Incorporated

ABN 42 705 136 058

Financial Statements

For the Year Ended 31 December 2013

Canberra Symphony Orchestra Incorporated

ABN 42 705 136 058

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For the Year Ended 31 December 2013

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Canberra Symphony Orchestra Incorporated

ABN 42 705 136 058

Committee Members Report For the Year Ended 31 December 2013

Your committee submit the financial report of the Association for the financial year ended 31 December 2013.

1. General information

Committee Members

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Air Chief Marshall Angus Houston AC AFC (Retired)	Chair (May 2013)	Appointed November 2012
Ms Melanie Kontze	Deputy Chair	Appointed May 2011
Mr Alan Raymond Bunsell	Treasurer	Appointed May 2008
Mr Robert Clark	Secretary	Appointed May 2008
Mr Harry Heinz Bluhm	Public Officer	Appointed May 2002
Mr John Painter AM	Member	Appointed May 2009
Ms Lucille Halloran	Member	Appointed May 2013
Mr John Kalokerinos	Member	Appointed May 2013
Ms Elizabeth McGrath	Member	Appointed May 2013
Dr Andrew Lu OAM	Deputy Chair	Resigned May 2013
Professor Deane Terrell AO	Chair	Resigned May 2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the Association during the financial year were:

- Performance of symphonic music;
- Present high quality concerts to inspire and touch audiences;
- Provide orchestral services for local and touring productions and for the embassy community in the ACT;
- Develop strategic partnerships to grow audiences and develop programs that are accessible and appeal to a broad audience base;
- Provide opportunities for audiences of different ages through education.

Significant changes

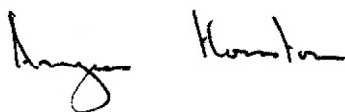
No significant changes in the nature of these activities occurred during the year.

2. Operating results and review of operations for the year

Operating result

The operating result of the Association for the financial year after providing for transfers to reserves of \$281,938 was a surplus of \$39,244 (2012: \$316,871 transfer to reserves and a surplus of \$ 6,155).

Signed in accordance with a resolution of the Members of the Committee:



Chairman



Treasurer

Dated: 11 April 2014

Canberra Symphony Orchestra Incorporated

ABN 42 705 136 058

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2013**

		2013	2012
	Note	\$	\$
Revenue & other income	2	2,475,346	2,218,211
Administration costs & Concert expenses		(190,235)	(164,098)
Marketing & Philanthropy		(77,542)	(109,276)
Employee benefits expense		(555,413)	(495,103)
Concert Expenses		(1,313,810)	(1,111,772)
Depreciation	8(a)	(17,164)	(14,936)
Surplus for the year		<u><u>321,182</u></u>	<u><u>323,026</u></u>
Other comprehensive income:			
Total comprehensive income for the year		<u><u>321,182</u></u>	<u><u>323,026</u></u>

The accompanying notes form part of these financial statements.

Canberra Symphony Orchestra Incorporated

ABN 42 705 136 058

Statement of Financial Position

As At 31 December 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	401,288	254,202
Accounts receivable and other debtors	5	46,784	260,138
CSO Legacy accounts	6	543,235	524,126
Other financial assets	6	872,147	835,916
Other assets	7	72,775	64,230
TOTAL CURRENT ASSETS		<u>1,936,229</u>	<u>1,938,612</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	42,333	29,142
TOTAL NON-CURRENT ASSETS		<u>42,333</u>	<u>29,142</u>
TOTAL ASSETS		<u>1,978,562</u>	<u>1,967,754</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	82,705	64,462
Employee provisions	10	62,292	46,405
Other financial liabilities	11	524,041	880,503
TOTAL CURRENT LIABILITIES		<u>669,038</u>	<u>991,370</u>
NON-CURRENT LIABILITIES			
Long-term provisions	10	32,819	20,861
TOTAL NON-CURRENT LIABILITIES		<u>32,819</u>	<u>20,861</u>
TOTAL LIABILITIES		<u>701,857</u>	<u>1,012,231</u>
NET ASSETS		<u>1,276,705</u>	<u>955,523</u>
EQUITY			
Reserves	13	840,966	559,028
Retained earnings		435,739	396,495
TOTAL EQUITY		<u>1,276,705</u>	<u>955,523</u>

The accompanying notes form part of these financial statements.

Canberra Symphony Orchestra Incorporated

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Statement of Changes in Equity

For the Year Ended 31 December 2013

2013

	Retained Surpluses	Asset Revaluation Reserve	CSO Public Legacy Account	Kingsland Fellowship Program	Musical Instrument Fund	Total
Note	\$	\$	\$	\$	\$	\$
Balance at 1 January 2013	396,495	34,902	371,942	152,184	-	955,523
Surplus attributable to members of the entity	321,182	-	-	-	-	321,182
Transfers from retained earnings to general reserve	13 (281,938)	-	243,324	16,414	22,200	-
Sub-total	39,244	-	243,324	16,414	22,200	321,182
Balance at 31 December 2013	435,739	34,902	615,266	168,598	22,200	1,276,705

2012

	Retained Surpluses	Asset Revaluation Reserve	CSO Public Legacy Account	Kingsland Fellowship Program	Musical Instrument Fund	Total
Note	\$	\$	\$	\$	\$	\$
Balance at 1 January 2012	390,340	34,902	207,255	-	-	632,497
Surplus attributable to members of the entity	323,026	-	-	-	-	323,026
Transfers from retained earnings to general reserve	13 (316,871)	-	164,687	152,184	-	-
Sub-total	6,155	-	164,687	152,184	-	323,026
Balance at 31 December 2012	396,495	34,902	371,942	152,184	-	955,523

The accompanying notes form part of these financial statements.

Canberra Symphony Orchestra Incorporated

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Statement of Cash Flows

For the Year Ended 31 December 2013

	2013	2012
Note	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Receipts from customers	1,712,921	1,839,947
Receipts from government grants	761,726	583,997
Interest received	2 64,386	65,879
Payments to suppliers and employees	<u>(2,306,251)</u>	<u>(1,972,334)</u>
Net Cash provided by (used in) operating activities	16 <u>232,782</u>	<u>517,489</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	8(a) (30,356)	-
Investments in term deposits	<u>(55,340)</u>	<u>(524,495)</u>
Net cash used by investing activities	<u>(85,696)</u>	<u>(524,495)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in cash and cash equivalents held	147,086	(7,006)
Cash and cash equivalents at beginning of year	<u>254,202</u>	<u>261,208</u>
Cash and cash equivalents at end of financial year	<u><u>401,288</u></u>	<u><u>254,202</u></u>

The accompanying notes form part of these financial statements.

Canberra Symphony Orchestra Incorporated

ABN 42 705 136 058

Notes to the Financial Statements

For the Year Ended 31 December 2013

The financial statements cover Canberra Symphony Orchestra Incorporated as an individual entity. Canberra Symphony Orchestra Incorporated is an association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991*.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations and the *Associations Incorporation Act (ACT) 1991*.

Australian Accounting standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on the 17 March 2014 by the members of the committee.

(b) Income tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Equipment

Each class of equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Equipment

Equipment is measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a reducing balance basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Equipment	10%-33%
Computer Equipment	33%
Music equipment	15%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(c) **Equipment continued**

the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(d) **Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(e) **Financial instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost .

Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of non-financial assets

At the end of each reporting period, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(g) Employee Provisions

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(h) Cash on Hand

Cash on Hand include cash on hand and deposits held at call with banks.

(i) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from governments grants. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non current assets.

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(j) Revenue and other income

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefit will flow to the Association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Government grants

Government grants are received through three main sources – artsACT, Act Department of Education and Australia Council for the Arts.

artsACT - Key arts organisation funding from the ACT government, a five year commitment ending December 2013. In 2013 the funding was \$304,500.

artsACT - In 2009, funding of \$100,000 per annum to assist with the hire costs of Llewellyn Hall, a four year commitment ending in December 2013.

ACT Education and Training - Funding received towards the costs of the Noteworthy Education Program. This agreement provided \$67,000 per annum for the period 2012-2014.

Australia Council - Funding from the Commonwealth government was received for the period 2011 - 2013 Australia Council for the Arts. In 2013 the funding was worth \$101,405.

artsACT & Australia Council - In 2014 the Canberra Symphony Orchestra signed a tripartite agreement to guarantee funding to the Canberra Symphony Orchestra Incorporated for the period 2014 - 2018. Refer to Note 15.

Centenary of Canberra - An amount was received of \$109,738 from the ACT government to cover costs for the performance and writing of music that was performed on Canberra Day 2013.

Grants received on the condition that specific services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability, and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received.

(ii) Concert revenue

Concert revenue from tickets sales (subscription tickets and casual tickets) and program sales are recognised at the time of concert performance.

(iii) Orchestral Services Income

Fees charged for orchestral services to clients are recognised when the service is provided.

Centenary of Canberra, ACT Chief Minister's Department contracted the CSO for a new composition that was performed on Canberra Day in 2013.

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(j) Revenue and other income continued

(iv) Revenue from fundraising

Sponsorship Income - Sponsorship comprises monies from corporate sponsors and is recognised in the period in which the sponsored event is held and the benefits accrue to the sponsors.

In kind donations - Services donated are included at the fair value to the Association where this can be quantified and a third party is bearing the cost. It is recognised both as revenue and as expense for each concert in the period in which it takes place.

Donations - Donations are generally recognised when received unless requested by the donor for use in future years. In some cases the donations relate specifically to an event and then are recognised in the same period as the event takes place.

No amounts are included in the financial statements for services donated by volunteers.

(v) Revenue from Interest

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(vi) Contribution Income

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

All revenue is stated net of the amount of goods and services tax (GST).

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(m) Accounts payable and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Critical accounting estimates and judgments

Key estimates - impairment

The Association assesses impairment at the end of each reporting year by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(p) Contingent Liabilities

As at 31 December 2014 the Committee is not aware of any contingent liabilities

(q) Economic dependence

Canberra Symphony Orchestra Incorporated is dependent on the funding from Government Grants for half of its revenue used to operate the business. At the date of this report the committee have signed a new Tripartite Government Funding Agreement with the Australia Council and artsACT to secure funding until 31 December 2018.

(r) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Association:

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets. AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies continued

(r) Adoption of new and revised accounting standards continued

The Association reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

In accordance with the transition provisions in the standard, the comparative figures have been restated.

(s) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Association:

Standard name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	<ul style="list-style-type: none"> - Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments. 	The impact of AASB 9 has not yet been determined.
AASB 2011 – 4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	30 June 2014	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.
AASB 2011-9 - Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income.	30 June 2013	Entities will be required to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	The items shown in other comprehensive income will be separated into two categories.
AASB 119 Employee Benefits (September 2011) AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	30 June 2014	<p>The main changes in this standard relate to the accounting for defined benefit plans and are as follows:</p> <ul style="list-style-type: none"> - elimination of the option to defer the recognition of gains and losses (the 'corridor method'); - requiring remeasurements to be presented in other comprehensive income; and - enhancing the disclosure requirements. 	Since the entity does not have a defined benefit plan, the adoption of these standards will not have any impact.

Canberra Symphony Orchestra Incorporated

ABN 42 705 136 058

Notes to the Financial Statements

For the Year Ended 31 December 2013

2 Revenue and Other Income

	2013	2012
	\$	\$
Other Income		
Interest	64,386	65,879
Government grants		
artsACT - ACT Government grant	304,500	297,000
artsACT Venue grant - Llwellyn Hall	100,000	101,362
Australia Council - Federal grant	101,405	100,700
Australia Council - other grant	-	17,935
ACT Education & Training	76,835	67,000
Centenary of Canberra	109,738	-
Concert revenue		
Concerts income	678,301	488,088
Orchestral services	110,475	85,550
Fundraising revenue		
Sponsorship	669,988	586,177
Philanthropic	248,895	368,553
Other income	10,823	39,967
	2,475,346	2,218,211

3 Auditors' Remuneration

	2013	2012
	\$	\$
Remuneration of the auditor of the Association, Hardwickes Chartered Accountants, for:		
- auditing or reviewing the financial statements	7,250	6,500

Canberra Symphony Orchestra Incorporated

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Notes to the Financial Statements

For the Year Ended 31 December 2013

4 Cash on Hand

	2013	2012
	\$	\$
Cash at bank	402,044	256,010
Cash on hand	270	347
	<u>402,314</u>	<u>256,357</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2013	2012
Note	\$	\$
Cash and cash equivalents	17 402,314	256,357
Credit cards	(1,026)	(2,155)
Balance as per statement of cash flows	<u>401,288</u>	<u>254,202</u>

5 Accounts Receivable and other debtors

	2013	2012
Note	\$	\$
CURRENT		
Accounts receivables	17 46,784	260,138
Total current accounts receivable and other debtors	<u>46,784</u>	<u>260,138</u>

Credit risk

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5. The main source of credit risk to the Association is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the Association's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Association and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Association.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Canberra Symphony Orchestra Incorporated

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Notes to the Financial Statements

For the Year Ended 31 December 2013

5 Accounts Receivable and other debtors continued

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
			\$	\$	\$	\$	
2013							
Trade and term receivables	46,784	-	46,784	-	-	-	-
Total	46,784	-	46,784	-	-	-	-
2012							
Trade and term receivables	260,138	-	253,638	-	-	6,500	-
Total	260,138	-	253,638	-	-	6,500	-

The Association does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

(a) Collateral held as security

The Association does not hold any collateral over any receivables balances.

6 Other Financial Assets

	2013	2012
	\$	\$
Other Financial Assets		
Macquarie Term Deposit 1	440,927	422,634
Macquarie Term Deposit 2	431,220	413,282
	872,147	835,916
Legacy Accounts		
CSO Legacy Account	9,020	163,922
Macquarie Legacy Term Deposit	158,077	-
Legacy Donations Account	166	106
Legacy Term Deposit	216,857	207,914
Kingsland Term Deposit	159,115	152,184
	543,235	524,126
Total financial assets	1,415,382	1,360,042

Cash held in the legacy account and the Kingsland term deposit is not available for use by the Canberra Symphony Orchestra in its operations. The cash investment legacy account is linked to the CSO public fund legacy account as disclosed in note 13. The Kingsland term deposit is linked to the Kingsland Fellowship Program reserve also disclosed in note 13.

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Notes to the Financial Statements

For the Year Ended 31 December 2013

7 Other Assets

	2013	2012
	\$	\$
CURRENT		
Prepayments	50,331	47,893
Accrued income	-	848
Rental Bond	22,444	15,489
	<u>72,775</u>	<u>64,230</u>

8 Property, Plant and Equipment

	2013	2012
	\$	\$
EQUIPMENT		
Music equipment		
At cost	61,549	34,903
Accumulated depreciation	(23,557)	(13,985)
Total Music equipment	<u>37,992</u>	<u>20,918</u>
Office equipment		
At cost	14,512	10,803
Accumulated depreciation	(10,171)	(8,304)
Total office equipment	<u>4,341</u>	<u>2,499</u>
Computer equipment		
At cost	22,182	22,182
Accumulated depreciation	(22,182)	(16,457)
Total computer equipment	<u>-</u>	<u>5,725</u>
Total property, plant and equipment	<u>42,333</u>	<u>29,142</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of equipment between the beginning and the end of the current financial year:

	Musical instruments	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Balance at 31 December 2013				
Balance at the beginning of year	20,918	2,499	5,725	29,142
Additions	26,646	3,709	-	30,355
Depreciation expense	(9,572)	(1,867)	(5,725)	(17,164)
Balance at 31 December 2013	<u>37,992</u>	<u>4,341</u>	<u>-</u>	<u>42,333</u>

Balance at 31 December 2012

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Notes to the Financial Statements

For the Year Ended 31 December 2013

	Musical instruments	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	26,153	4,100	13,825	44,078
Depreciation expense	(5,235)	(1,601)	(8,100)	(14,936)
Balance at 31 December 2012	20,918	2,499	5,725	29,142

At 31 December 2014 there are no commitments for capital expenditure of a material nature.

9 Accounts Payable and Other Payables

	2013	2012
	\$	\$
CURRENT		
Trade payables	46,149	4,657
Players back pay 2012	-	20,000
Superannuation payable	19,461	-
GST Payable	(4,725)	19,636
Other payables	21,820	20,169
	<u>82,705</u>	<u>64,462</u>

Collateral pledged

No collateral has been pledged for any of the trade and other payable balances.

10 Employee Provisions

	2013	2012
	\$	\$
CURRENT		
Annual Leave	37,292	36,405
Long service leave	25,000	10,000
	<u>62,292</u>	<u>46,405</u>
NON-CURRENT		
Long service leave	32,819	20,861
	<u>32,819</u>	<u>20,861</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2013

(a) Analysis of Employee Provisions - Annual Leave Entitlements

Current

Opening balance at 1 January 2013	36,405
Additional provisions	34,758
Amounts used	<u>(33,871)</u>
Balance at 31 December 2013	<u>37,292</u>

Employee Provisions - Annual Leave Entitlements

The provision for employee benefits represents amounts accrued for annual leave.

Based on past experience, the association doesn't expect the full amount of annual leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because the association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

11 Other Financial Liabilities

	2013	2012
	\$	\$
CURRENT		
Grants in advance - artsACT	-	152,250
Grants in advance - Australia Council	-	50,803
Grants in advance - artsACT venue subsidy	-	50,000
Subscription tickets pre paid	442,838	422,025
Sponsorship in advance	27,545	107,461
Noteworthy Unexpended	-	9,634
Donations in advance	53,658	10,000
Centenary of Canberra 2013 Funding	-	78,330
Total	<u>524,041</u>	<u>880,503</u>

Canberra Symphony Orchestra Incorporated

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Notes to the Financial Statements

For the Year Ended 31 December 2013

12 Leasing Commitments

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

		2013	2012
	Note	\$	\$
Payable - minimum lease payments:			
- no later than 1 year	17	<u>87,040</u>	<u>53,460</u>

Operating leases relate to rental payments for the administrative office with lease term of seven years ending 31 July 2020 with an option of a further 5 years. All operating lease contracts contain market review clauses in the event that the Association exercises any option to renew. On the 1 August each year the Canberra Symphony Orchestra's Incorporated rent will be reviewed and will be adjusted by CPI.

13 Reserves

	2013	2012
	\$	\$
a) Financial Asset Reserve		
Opening balance	<u>34,902</u>	34,902
	<u>34,902</u>	<u>34,902</u>
b) Canberra Symphony Orchestra Legacy Fund		
Opening balance	371,942	207,255
Transfers in	<u>243,324</u>	<u>164,687</u>
	<u>615,266</u>	<u>371,942</u>
c) Kingsland Fellowship Program		
Opening balance	152,184	150,000
Transfers in	<u>16,414</u>	<u>2,184</u>
	<u>168,598</u>	<u>152,184</u>
Musical Instrument Fund		
Transfers in	<u>22,200</u>	-
	<u>22,200</u>	-
Retained Surpluses		
Opening balance	396,495	390,340
Transfers in	<u>39,244</u>	<u>6,155</u>
	<u>435,739</u>	<u>396,495</u>
Total Reserves	<u>1,276,705</u>	<u>955,523</u>

Canberra Symphony Orchestra Incorporated

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Notes to the Financial Statements

For the Year Ended 31 December 2013

(a) Financial Asset Reserve

Change in the fair value and exchange differences arising on translation of available for sale investment are recognised in other comprehensive income - financial asset reserve. Amounts are reclassified to profit or loss on disposal of the investment or when an impairment arises

(b) Canberra Symphony Orchestra Legacy Fund Reserve

Canberra Symphony Orchestra introduced a legacy account in 2009 to preserve the capital of public donations and gifts, to support Canberra Symphony Orchestra's current and future special projects from investment income. Donations are deposited directly into the legacy account as determined by the board.

(c) Kingsland Fellowship Fund Reserve

Kingsland Fellowship Program was established in 2012 from a one off donation of \$150,000. The aim is to provide mentorship opportunities for emerging professional musicians.

14 Related Party Transactions

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its committee members, is considered key management personnel.

Key management personnel compensation:

	2013	2012
	\$	\$
Short-term employee benefits	225,779	211,889
Post-employment benefits	41,636	36,370
	<u>267,415</u>	<u>248,259</u>

Other Related Parties

Committee Members' transactions

During the year the Association entered into a number of transactions with committee members on normal commercial terms and conditions no more favourable than those available to any other member. The transactions included the payment of membership fees, the making of donations, the sale of tickets and merchandise and payments to the Friends of the CSO for membership and attending functions. The total amount received from committee members in 2013 was \$6,210 (2012-\$4,427).

15 Events after the end of the Reporting Period

On the 13 February 2014 the Canberra Symphony Orchestra Incorporated signed a new 5 year Grant with the Australia Council and artsACT. This Grant will secure funding until the 31 December 2018.

The Committee is not aware of any further significant events since the end of the reporting period.

Canberra Symphony Orchestra Incorporated

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Notes to the Financial Statements

For the Year Ended 31 December 2013

16 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2013	2012
	\$	\$
Profit for the year	321,182	323,026
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	17,164	14,936
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	213,355	59,412
- (increase)/decrease in other assets	(6,955)	(1,040)
- (increase)/decrease in prepayments	(2,438)	(26,994)
- (increase)/decrease in accrued income	848	-
- increase/(decrease) in income in advance	(356,462)	109,188
- increase/(decrease) in trade and other payables	19,130	30,878
- increase/(decrease) in provisions	26,958	8,083
Cash flow from operations	<u>232,782</u>	<u>517,489</u>

17 Financial Risk Management

The main risks Canberra Symphony Orchestra Incorporated is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

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Notes to the Financial Statements

For the Year Ended 31 December 2013

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2013	2012
	Note	\$	\$
Financial Assets			
Cash and cash equivalents	4	401,288	254,202
Held-to-maturity investments	6	872,147	835,916
Total financial assets		1,273,435	1,090,118
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	9	82,705	64,462
Total financial liabilities		82,705	64,462

Financial risk management policies

The Committee has overall responsibility for the establishment of Canberra Symphony Orchestra Incorporated's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Canberra Symphony Orchestra Incorporated's activities.

Risk management is carried out by the CEO under policies approved by the Committee Members. All risks are prudently managed through regular risk assessments and ongoing Board reporting.

The Committee receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Canberra Symphony Orchestra Incorporated and arises principally from Canberra Symphony Orchestra Incorporated's receivables.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Association has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5.

Notes to the Financial Statements

For the Year Ended 31 December 2013

(b) Liquidity risk

Liquidity risk arises from the possibility that Canberra Symphony Orchestra Incorporated might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, Canberra Symphony Orchestra Incorporated ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The available funds to the Association are discussed in below table.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Financial liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Total	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade & other payables (excluding annual leave and grants in advance)	82,705	64,462	-	-	82,705	64,462
Operating lease commitments	87,040	53,460	435,200	-	522,240	53,460
Total contractual outflows	169,745	117,922	435,200	-	604,945	117,922
Total expected outflows	169,745	117,922	435,200	-	604,945	117,922
Financial assets - cash flows realisable						
Cash & cash equivalents	401,288	254,202	-	-	401,288	254,202
Term deposits	872,147	835,916	-	-	872,147	835,916
Legacy accounts	543,235	524,126	-	-	543,235	524,126
Accounts receivable and other debtors	46,784	260,138	-	-	46,784	260,138
Total anticipated inflows	1,863,454	1,874,382	-	-	1,863,454	1,874,382
Net (outflow)/inflow on financial instruments	1,693,709	1,756,460	-	-	1,693,709	1,756,460

The timing of expected outflows is not expected to be materially different from contracted cash flows.

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Notes to the Financial Statements

For the Year Ended 31 December 2013

Financial assets pledged as collateral

No financial assets have been pledged as security for debt.

(c) **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Sensitivity analysis

The following table illustrates sensitivities to Canberra Symphony Orchestra Incorporated's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting year would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year ended 31 December 2013		
+/- 2% in interest rates	36,333	36,333
	Profit	Equity
	\$	\$
Year ended 31 December 2012		
+/- 2% interest rates	32,284	32,284

No sensitivity analysis has been performed on foreign exchange risk as the association has no significant exposure to currency risk.

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions

Canberra Symphony Orchestra Incorporated

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Notes to the Financial Statements

For the Year Ended 31 December 2013

have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair values disclosed in the above table have been determined based on the following methodologies.

(i) Cash and cash equivalents, trade and other receivables and trade and other payables and short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts relating to provision of annual leave, which is outside the scope of AASB 139.

	2013		2012	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	401,288	401,288	254,202	254,202
Trade and other receivables	46,784	46,784	260,138	260,138
Term deposits	872,147	872,147	835,916	835,916
Legacy accounts	543,235	543,235	524,126	524,126
Total financial assets	1,863,454	1,863,454	1,874,382	1,874,382
Financial liabilities				
Trade and other payables	82,705	82,705	64,462	64,462
Total financial liabilities	82,705	82,705	64,462	64,462

18 Association Details

The registered office & principal place of business of the association is:

Canberra Symphony Orchestra Incorporated

Level 1, Suite 3

11 London Circuit

CANBERRA ACT 2601

Canberra Symphony Orchestra Incorporated

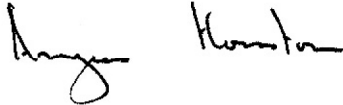
ABN 42 705 136 058

Statement by Members of the Committee

In accordance with the resolution of the committee of Canberra Symphony Orchestra Incorporated, the members of the committee declare that the financial statements set out on pages 1 to 25:

1. Present a true and fair view of the financial position of Canberra Symphony Orchestra Incorporated as at 31 December 2013 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Associations Incorporations Act 1991, ACT*.
2. At the date of this statement, there are reasonable grounds to believe that Canberra Symphony Orchestra Incorporated will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the committee by:



Chairman



Treasurer.....

Dated 11 April 2014

Canberra Symphony Orchestra Incorporated

ABN 42 705 136 058

Independent Auditor's Report to the members of Canberra Symphony Orchestra Incorporated

Report on the Financial Report

We have audited the accompanying financial report of Canberra Symphony Orchestra Incorporated, which comprises the statement of financial position as at 31 December 2013, 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 other explanatory information.

Management's Responsibility for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Associations Incorporations Act (ACT) 1991, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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.

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

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

Canberra Symphony Orchestra Incorporated

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**Independent Auditor's Report to the members of Canberra Symphony
Orchestra Incorporated**

Opinion

In our opinion, the financial report gives a true and fair view of, the financial position of Canberra Symphony Orchestra Incorporated as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Associations Incorporations Act (ACT) 1991.

Hardwickes
Chartered Accountants



Robert Johnson FCA
Partner

11 April 2014
Canberra, ACT