

Sydney Improvised Music Association Incorporated

ABN: 72 643 038 240

Financial Statements

For the Year Ended 31 December 2021

Sydney Improvised Music Association Incorporated

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Committee's Report For the Year Ended 31 December 2021

The committee members submit the financial report of the Association for the financial year ended 31 December 2021.

1.0 General information

Committee members

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

Names	Position
David Theak	President
Marion Benjamin	Vice President & Chair of Finance Committee
Greg Davis	Treasurer
Kirstin Fischer	Secretary
Joanne Kee	
Alex Masso	
Jackson Harrison	
Katy Tyrrell	
Cara Anderson	

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

2.0 Overview of 2021

I am pleased to present the Committee members' Report of the Sydney Improvised Music Association Incorporated (SIMA) on behalf of the committee members and staff. SIMA continues to demonstrate artistic excellence across a wide spectrum of jazz and improvised music presented and promoted in 2021.

The trend of unprecedented challenges due to the coronavirus pandemic continued to impact the global economy. Further restrictions to business and community meant that a number of SIMA's planned events and activities were cancelled or rescheduled.

Despite this, SIMA presented 127 performances in 90 live and 23 digital events which included live and streamed performances. Mentoring and coaching continued with four artists awarded the Young Composers Mentorship in 2021 as compared to one in previous years. SIMA engaged 521 artists and educators and reached audiences of more than 12,354 people across live and online platforms.

SIMA's Jazz Now Summer season was a combination of pop-up events at Ruby's outdoor music club and exclusive events and world premieres. These included Disruption! Voice of the Drums at the York Theatre for Sydney Festival, Paul Cutlan's *Living* at Riverside Theatre, the premiere of Vienna Dreaming by Matt Keegan and its subsequent regional tour, the premiere of Hilary Geddes Upstream, Downriver (commissioned by TURA New Music) and the Catholics 30th Anniversary.

A micro-festival within a season, Contemporary Underground featured the best jazz, blues and roots artists at Mary's Underground. In the spirit of the venue, the former site of The Basement, the program featured Tina Harrod with a ten-piece ensemble, Ray Beadle, Mister Ott's In The Flow Album Launch and the Melting Mamas with Aloha No. Support by special event funding Create NSW, the festival was designed to entice audiences back to the CBD after COVID restrictions lifted.

SIMA supported another Sydney Con International Jazz Festival, bolstering the Open Academy's capacity which resulted in another successful event. Over 25 performances, four workshops featuring Australia's best artists and returned expats such as Linda Oh took place across 5 venues at the University across one day.

SIMA was able to take advantage of a short travel bubble with New Zealand. Myself as the President, CEO Amy Curl and Marketing Manager Reuben White travelled to Wellington for the Wellington Jazz Festival, meeting with Festival Director Marnie Karmelita and undertook a number of formal and informal meetings with industry. The trip has deepened ties with buying partner, Wellington Jazz Festival and was an opportunity to research new models of festival programming and presenting.

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Continued COVID-support funding enabled a larger winter program "Winter Jazz Fest" which was produced in collaboration with Margot Natoli Events. The program, which took place over 12-week, features over 100 events across venues in the City of Sydney. In addition to a number of umbrella events that featured in the program, SIMA programmed and produced two week-long seasons at Mary's Underground.

By mid-June, a COVID outbreak had taken hold in Sydney and by the end of June, Sydney has been placed into another lock down, this one to last four months, forcing the cancellation of July and August Winter Jazz Fest events.

The lockdown inspired another wave of streamed and online programs. SIMA re-mounted Jazz NOW Wired, as well as partnering with Earshift Records to present a 10-day online festival. Freedman Classical streamed the finalist performances with the assistance of the Melbourne Digital Concert Hall, the event sold well with over 100 people purchasing and attending the event online. Despite this, it was clear by the end of 2021 that audiences and artists were fatigued with online and streaming and that the industry longed to return to live events.

In 2021 SIMA had a record number of applicants to its Young Women's Jazz Workshops. The workshops, that were cancelled in 2020, assist in the development of improvisational skills for young and emerging women musicians. Disappointingly, just as the workshops were due to begin, Sydney's extended lock down meant these workshops were postponed for a second year.

Sydney re-emerged from its four-month closure in mid-October cautiously. For this reason, SIMA's Sydney International Women's Jazz Festival opened, in an out-door room a month later. SIMA produced only five of the ten events, as it moved towards a new model of presentation that included working with venues and artists to submit their shows for inclusion in the festival program, allowing SIMA to invest in higher-profile artists in larger venues. The program was well received by enthusiastic audiences with many sold-out performances. The showcase event featuring Sandy Evans and Satsuki Odamura in a double bill with Zela Margossian's Visions of Nar at the Sydney Opera House's Utzon Room enhanced the brilliance of the music, and demonstrated an appetite for jazz and improvised music in high-profile venues.

REGIONAL TOURING

Despite the challenges mentioned above, regional touring remained a priority and two tours took place before restrictions impeded planned events. Matt Keegan's Vienna Dreaming premiered as part of Contemporary Underground before touring to the Canberra International Music Festival and Wollongong. The second leg of Gai Bryant's Caribe tour was rescheduled touring to Orange, Blue Mountains, Candelo and Canberra. Also completing a rescheduled second leg, This World completed their tour with performances in Wauchope, Armidale and Bellingen and Moruya.

Key presenting and commercial partnerships continued with the Waverley Council and 107 Projects. COVID Support packages to subsidise COVID-impacted performances and Play the City bolstered finances. As did the NSW Government's Job Saver payments.

SIMA continued to deliver on key partnerships with the Freedman Foundation and The Music Trust. SIMA delivered the assessment process for the Freedman Jazz and Classical Fellowships, with a cash prize of \$20,000 awarded with each fellowship annually. In 2020, the live process for selection of the winner at the Sydney Opera House was cancelled. Instead, interviews were conducted via video conferencing and judges deliberated over this, as well as their written application. The Freedman Jazz Fellow was bassist Helen Svoboda (QLD) and the Classical Fellow cellist Richard Narroway (VIC).

In addition to its own presentations and artist development initiatives, SIMA partnered with other performance and educational organisations to provide regional performance and workshop opportunities. Some of these partners include Open Academy, Sydney Conservatorium of Music, Wollongong Conservatorium, Western Australian Youth Jazz Orchestra, APRA, The Music Trust, Freedman Foundation,

3.0 Strategic Highlights

SIMA proved to continue demonstrate its relevance and importance in providing a critical platform and employment to our jazz sector during a trying period. The experience gained in 2020 saw SIMA build on its digital offerings, gaining further insights into this new medium.

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The Sydney International Women's Jazz Festival was able to go ahead in a reduced format.

The success of SIMA's RISE Fund application resulted in \$210,000 for its regional touring program in 2022 and 2023. Touring activity in 2020 and 2021 has laid the foundation of these new and reinvigorated regional touring circuits across the included regions of New England; Southern Tablelands, Blue Mountains; the Mid and Far North Coast, South Coast and interstate to ACT, QLD and VIC.

Audience Development In 2020 SIMA deepened its ties with the City of Sydney and Joynton Ave Creative Centre, its new resident home which is managed by 107 Projects. The continuation of its subsidized rental agreement in exchange for performance-based activities. The result is a "socials" program which is a regular music event in the "outside room" aimed at connecting local residents of the newly established Green Square precinct. In 2021 this program proved to be a big success with a series of sold-out performances in the outdoor room.

SIMA received grant funding in 2020 of \$ 320,964 made up of multi-year and annual program grants and projects grants from Create NSW, Australia Council, City of Sydney and Anthony and Sharon Lee Foundation. It received \$ 35,475 in COVID-relief payments from Service NSW (Job Saver). Create NSW provided an additional \$46,750 for Play the City Winter Jazz to support performing arts activity in the CBD coming out of the shut-down periods.

Over all performances and events, SIMA achieved an average capacity of 98% for performances and events staged across small to mid-sized venues.

- The Sydney International Women's Jazz Festival delivered and all-NSW program which sold-out 6 of its 8 ticketed events.
- The 2021 Emerging Composers Mentorships were awarded to Rochelle Scogie, Tom Botting, Sam Gill and Flora Carbo who have each received a commission to compose a new work with a mentor of their choice.

4.0 Operational Highlights

SIMA welcomed back Marketing Manager Reuben White in March 2021. DFK Laurence Varney took on as SIMA book keeping and accounting service in April 2021. They also continued to conduct its annual audit. Sue Spence continued as an administrator two days per week with ongoing contractors Nicola Sinclair (technical/production), Chris Ruhle and Emma Collison (PR) and Monica Higgins (Graphic Design).

2021 saw no changes to the SIMA Committee. SIMA choosing to take up the grace period granted to Associations for the holding of the 2020 AGM due to the impacts of COVID-19.

5.0 Summary of Financial Outcomes

SIMA reported a surplus of \$48,873 for the year ended 31 December 2021 compared to surplus of \$137,657 in the prior year. Total income was \$509,752 compared to the prior year of \$473, 566 an increase of 7% on 2021. Expenditure was \$399,489, an increase of \$63,580 or 17% on the prior year's expenditure result which totaled \$335,909 in 2020.

Whilst it is pleasing to see the organization continue to build reserves, the post pandemic operating environment means that the company will need to continue its focus on fund raising via box office audiences, philanthropy, membership and securing grant funding in the following years. As at 31 December 2021, SIMA held cash of \$476,519 an increase on 2020 of \$302,190. This cash reflects accumulated surplus and grant monies received in advance.

6.0 Audiences

Audiences in 2021 totaled 12,354 comprising paid attendance of 6,244 and 6,110 free-of-charge participants. (The high number of free-of-charge participants is due to SIMA's free Digital programs in 2021 and outdoor activations supported by the City of Sydney).

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7.0 Activities, Objectives and Strategic Direction

7.1 Principal activities

SIMA is a critical platform for the presentation of high-quality artistic work, presenting performances that range from solo and duo opening acts to large-scale collaborations rarely seen outside a festival context. SIMA also presents international artists, in partnership with the Perth and Melbourne International Jazz Festivals, Wangaratta Festival of Jazz and Blues, the Sydney Conservatorium, or independently for the Sydney International Women's Jazz Festival. An important focus for SIMA is its Education and Artist Development programs, including the award-winning Young Women's Jazz Workshops and the Sonic Futures initiative for outstanding young and emerging artists.

SIMA is a non-profit organisation and is listed with the Australian Charities and Not-for-Profit Commission.

SIMA's key areas of activity are:

- **Presentation:** SIMA successfully traversed the live and digital event space in 2021. Continued disruptions impacted live performance. Partnerships with Australian Digital Concert Hall (Freedman Classical) and Earshift Records (Earshift Festival) enabled 23 digital events which completed more than 100 events.
- **Education and Artist Development:** SIMA's regular Young Women's Jazz Workshops and Cool for School delivered in partnership with Riverside Theatres were both cancelled in 2021 due to impacts from COVID-19. Instead, an informal 2-part digital mentoring initiative was set up for 30 young and mid-career artists whereby they could be mentored by established artists in the areas of composition, project development and practice.
- **Women in Jazz - providing a pathway and platform for female jazz artists as bandleaders, creators and performers:** In November, SIMA presented the Sydney International Women's Jazz Festival, selling out 6 of the 8 events. The program included live music concerts and online events featuring a high-quality program of local Australian talent. SIMA supported the employment of 136 women in 2021.

The Young Women's Jazz Workshop program, co-founded in 2002 by SIMA and Sandy Evans OAM, has resulted in more young women successfully auditioning for tertiary jazz studies and engaging in opportunities leading to a career in music.

The Emerging Composers Mentorship provides a commission opportunity for a young female composer (under 30 years) to write a new work under the mentorship of an established composers. The work is premiered and recorded at the Sydney International Women's Jazz Festival and provides professional development and profiling opportunities. This program was partly delivered due to the impacts of COVID-19.

7.2 Objectives

SIMA's objectives are to:

- Present a diverse spectrum of contemporary jazz for artists and audiences;
- Assist in the development of new works, recordings and projects;
- Push the boundaries of the art form and connect with audiences;
- Foster jazz leadership, thereby addressing a gap in the sector;
- Support artists to reach their potential; and
- Strengthen the sector through partnerships and networks

7.3 Strategic Direction

SIMA continues to be an important platform for the performance of contemporary jazz and improvised music in Sydney and regional NSW. Its 2021 program featured works by established Australian artists and emerging jazz artists of outstanding talent.

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In 2021, SIMA's Executive and Committee undertook planning for a new Strategic Plan (2021 – 2025). The continued uncertainty as a result of COVID-19 has delayed its completion and has been postponed to the 2023 – 2026 period, where the Committee can review trends and plan with more certainty.

However, it's long-standing reputation for excellence continues to build capacity within SIMA's performance and education programs. SIMA's continued partnership with Freedman Foundation and The Music Trust provide important opportunities through the Freedman Jazz and Classical Awards. National broadcasts of the finalist concerts increase the profile of these extremely talented artists as they compete for a \$21,000 award in each genre and benefit from national broadcast opportunities. In addition, this partnership also supports the presentation of new works by jazz Fellows. The Fellowship was awarded throughout 2020 and 2021 without a live concert program. However, live presentations will resume in 2022.

Consolidation of SIMA's longstanding program and partnerships, and investment into its digital marketing channels are driving the growth and development of SIMA's audiences. In March 2020, performance programs pivoted online and inevitably reached a broader, more diverse audience.

The onset of the global pandemic saw a decline in traditional arts audiences, and it has become imperative for SIMA to capitalise on a younger and socially active audience-base. Investment in digital marketing and advertising that has driven SIMA's reach, as we strive to establish a new segment of the music and arts market.

Financially, despite COVID-19, SIMA has performed strongly in most areas. As we look to the future, SIMA aims to increase its base-level funding with multi-year funding from the Australia Council for the Arts and Create NSW to match the support of the City of Sydney and the Anthony and Sharon Lee Foundation.

Targets during this period saw increases to membership, demonstrating the value of the organisation amidst the pandemic. It remains that in order to increase donations, a dedicated position to drive growth in the areas of memberships and donations is required. areas which SIMA has not been able to fund.

In the opinion of the committee members there were no significant changes in the state of affairs of SIMA that occurred during the financial year under review.

7.4 Strategy and future performance

The strategic focus on 2021 was:

1. Consolidation of SIMA's Regional Touring Fund to support tour-ready artists and ensembles to realise regional touring opportunities in NSW and nationally through as a recipient of the RISE Fund. The program provides operational, financial and promotional support. The program will offer key networking and resource-sharing and provide artists with publicity contacts and venue/presenter networks to integrate and consolidate the program objectives, whilst providing multiple benefits for touring artists.
2. Continuation of the Sydney International Women's Jazz Festival, to include artists of world-wide reputation, such as Terri Lyne Carrington, and the continuation of key opportunities for women as band leaders, composers and performers to be able to perform for Sydney audiences. In 2021, we continued with an all-NSW program.
3. SIMA's partnerships with a national touring network such as the Sydney Conservatorium, Perth International Jazz Festival and Melbourne International Jazz Festival offers opportunities to present Sydney shows by international artists such as Bill Frisell. This approach helps to defray international touring costs across multiple events.
4. Local presenting partners such as council, galleries and institutions provide SIMA with opportunities to program events and festivals and provides performance guarantees for artists, building capacity and creating audience development opportunities for local talent.

SIMA values its continued status as resident company of the City of Sydney-owned and 107 Projects run Joynton Avenue Creative Centre (JACC). The residency offers opportunities to develop audiences in a newly developed neighborhood which has limited access to music venues and cultural activities. It's status as a resident allows SIMA to present music at JACC in exchange for rental subsidy, providing employment opportunities for artists. SIMA will seek to amortise costs for the presentation of key Australian and interstate artists through festival and other key partnerships.

SIMA will continue to pursue its policy of strategic partnerships to expand its program, giving access where possible to new venues and new educational and performance opportunities.

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8.0 Corporate Governance and the Committee

8.1 Office-Bearers, the Committee and processes

SIMA's Office-Bearers.

The Office-Bearers and the Committee have ultimate responsibility for SIMA, even though operating authority is delegated to management via the CEO. SIMA's Constitution provides for the Committee to comprise a minimum of six and a maximum of nine members (referred to in this report as committee members) and is intended to incorporate a range of skills and experience that are relevant to SIMA's governance needs and stakeholder profile.

The Committee is supported by two sub-committees that focus on Finance and Programming, which act in a support and advisory capacity to the Artistic Director.

9.0 Operating results and review of operations for the year

Operating result

The surplus of the Association for the financial year after providing for income tax amounted to \$ 48,873 (2020: Surplus \$ 137,657).

10.0 Other items

Significant changes in state of affairs

The spread of the novel coronavirus (COVID-19) was declared a global pandemic on 11 March 2020 by the World Health Organisation and is having a significant impact on both local and global communities and economies.

The Association has made an assessment of the COVID-19 pandemic impact on financial reporting and determined that the Association's revenues for the year and overall financial position as at 31 December 2021 have not been significantly impacted.

The Association has undertaken measures and precautions to ensure that it continues to operate and to protect staff and members as the COVID-19 pandemic continues to extend globally. Technology has facilitated effective communication whilst working from home, including video conferencing facilities. The Association also implemented a range of initiatives to protect staff and members including travel restrictions, social distancing protocols and guidelines for visitors.

Except for the above, there have been no significant changes in the state of affairs of the Association during the year.

Events after the reporting date

As the COVID-19 pandemic continues to create uncertainty in both local and global communities and economies, the Association continues to consider the impact on its future operations and undertake appropriate measures and precautions in response.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012, for the year ended 31 December 2021 has been received and can be found on page 8 of the financial report.

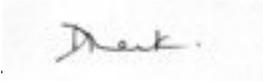
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Signed in accordance with a resolution of the Members of the Committee:

President...



David Theak

Dated this 30th day of June 2022

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Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profit Commission Act 2012 to the Members of Sydney Improvised Music Association Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

DFK Laurence Varnay Auditors Pty Ltd



Faizal Ajmat
Director

Sydney

4 July 2022

Local knowledge. National connections. Global reach.



DFK Laurence Varnay is a member of DFK International, a worldwide association of independent accounting firms and business advisers. Our DFK membership means that we can assist you with expanding your business overseas by networking with other member firms. You can have the essential combination of global reach and local knowledge.

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Statement of Income and Retained Surplus For the Year Ended 31 December 2021

		2021	2020
	Note	\$	\$
Grant income	3	310,964	255,500
Other income	3	198,788	218,066
Employee benefits expense	4	(172,659)	(129,970)
Other expenses	4	(288,220)	(205,939)
Surplus before income taxes		48,873	137,657
Income tax expense	2(a)	-	-
Surplus for the year		48,873	137,657
Retained surplus			
Retained earnings at the start of the year		156,247	18,590
Retained surplus at the end of the year		205,120	156,247

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Statement of Financial Position

As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	476,519	174,329
Trade and other receivables	6	22,832	37,228
TOTAL CURRENT ASSETS		<u>499,351</u>	<u>211,557</u>
TOTAL ASSETS		<u>499,351</u>	<u>211,557</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	53,423	23,717
Employee benefits	8	12,493	-
Deferred revenue	9	228,315	31,593
TOTAL CURRENT LIABILITIES		<u>294,231</u>	<u>55,310</u>
TOTAL LIABILITIES		<u>294,231</u>	<u>55,310</u>
NET ASSETS		<u>205,120</u>	<u>156,247</u>
EQUITY			
Retained surplus		<u>205,120</u>	<u>156,247</u>
TOTAL EQUITY		<u>205,120</u>	<u>156,247</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from grants	543,161	310,893
Receipts from box office	48,709	38,925
Receipts from management fees	33,760	25,455
Receipts from membership fees	6,614	4,129
Receipts from performance fees	55,787	46,338
Reimbursements	5,441	1,035
Payments to suppliers and employees	(404,285)	(348,714)
Donations received	12,992	37,428
Interest received	11	957
Net cash provided by operating activities	<u>302,190</u>	<u>116,446</u>
Net increase in cash and cash equivalents held	302,190	116,446
Cash and cash equivalents at beginning of year	174,329	57,883
Cash and cash equivalents at end of financial year	5 <u>476,519</u>	<u>174,329</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 December 2021

The financial report covers Sydney Improvised Music Association Incorporated (SIMA) as an individual entity. SIMA is a not-for-profit Association incorporated in New South Wales under the *Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2016* ('the Act').

The functional and presentation currency of Sydney Improvised Music Association Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosure and the Australian Charities and Not-for-profits Commission Act 2012.

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

The financial statements, except for the cash flow information, have been prepared on an accrual 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 amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The income recognition requirements under AASB 1058 shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations. is recognised when the business is entitled to it.

The core principle of the new income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

An example of a 'related amount' is AASB 15 and in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058. Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition.

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2. Summary of Significant Accounting Policies (cont'd)

Revenue and other income (cont'd)

The entity recognises revenue from the following major sources is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

The entity recognises revenue from the following major sources

- Government grants
- Donations

Government grant

The Association has analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria under AASB 15. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise and recognised when (or as) the performance obligations are satisfied.

Donations

Based on an analysis of the Association's underlying arrangements for donations as at 30 December 2021 on the basis of the facts and circumstances that exist at that date, the organisation has assessed that the impact of the income requirements will not have a significant impact on the amounts recognised in the Organisation's financial statements as majority of the donations do not meet the 'enforceability' and the 'sufficiently specific' criteria under AASB 15 and would therefore be accounted as immediate income recognition under AASB 1058.

Interest revenue

Interest is recognised using the effective interest method.

(c) Goods and services tax (GST)

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 Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

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

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Notes to the Financial Statements

For the Year Ended 31 December 2021

2. Summary of Significant Accounting Policies (cont'd)

Property, plant and equipment (cont'd)

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

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Notes to the Financial Statements For the Year Ended 31 December 2021

2. Summary of Significant Accounting Policies (cont'd)

Financial instruments (cont'd)

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Sydney Improvised Music Association Incorporated

ABN: 72 643 038 240

Notes to the Financial Statements

For the Year Ended 31 December 2021

2. Summary of Significant Accounting Policies (cont'd)

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, and other loans.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classed as non-current.

A liability is classified as current when: it is either expected to be settled in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for atleast 12 months after the reporting period. All other liabilities are classified as non-current.

(h) Employee benefits

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 wholly 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 one year 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 and the probability that the employee may satisfy vesting requirements.

Sydney Improvised Music Association Incorporated

ABN: 72 643 038 240

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies (cont'd)

(i) Adoption of new and revised accounting standards

AASB 1060: General Purpose Financial Statements - Simplified Disclosures for Not-For-Profit Tier 2 Entities

The Association has adopted AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: Application of Tiers of Australian Accounting, replaces the previous Special purpose reporting framework. The application of this standard has resulted in changes in Revenue, Leases and Financial Instruments and new and/or increased disclosures in areas such as Audit Fees and Related Parties.

The Association has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(j) Economic dependence

SIMA is partially dependent on grants from Arts NSW and Australia Council for the Arts to deliver its educational and performance programs. The funding from these two bodies currently make up 63% (2020: 57%) of total revenue.

(k) Critical accounting estimates and judgements

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are also discussed.

Key estimates - provision for impairment of receivables

The expected credit loss model requires the Entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The Entity measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset.

(l) Segment Information

SIMA undertakes activities that promotes Jazz through:

- Education
- Women in Jazz
- Presentation of high quality Australian and international performers.

These activities are delivered by a support function where grant income is not specifically advanced for one of the core segments is reported.

Sydney Improvised Music Association Incorporated

ABN: 72 643 038 240

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Revenue and Other Income

Revenue

	2021	2020
	\$	\$
Grant income		
- Local Government	50,478	46,500
- Australia Council	60,000	40,000
- Arts NSW	156,750	155,000
- APRA	-	14,000
- Australia Council - Project	43,736	-
Total grant income	310,964	255,500
Other Income		
- Box office receipts	48,709	38,925
- Donations & fundraising	12,992	37,428
- Performance fees	55,787	46,338
- Management fees	33,760	25,455
- Reimbursements	5,441	1,035
- Membership fees	6,614	4,129
- Grants	35,475	63,800
- Interest income	10	956
Total other income	198,788	218,066

4 Result for the Year

The result for the year includes the following specific expenses:

Other expenses:

- Employee Benefits expenses	172,659	129,970
- Advertising	55,349	33,506
- Travel - domestic	7,667	1,531
- Venue hire and technical expense	19,348	27,156
- Artist fees	106,456	92,479
- Administration services	38,010	12,305

Sydney Improvised Music Association Incorporated

ABN: 72 643 038 240

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	<u>476,519</u>	<u>174,329</u>

6 Trade and Other Receivables

CURRENT		
Trade receivables	<u>22,832</u>	<u>37,228</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Trade and Other Payables

CURRENT		
Trade payables	-	8,935
GST payable	24,015	6,325
Sundry payables and accrued expenses	<u>29,408</u>	<u>8,457</u>
	<u>53,423</u>	<u>23,717</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

8 Employee Benefits

CURRENT		
Provision for employee benefits	<u>12,493</u>	-

9 Deferred Income

CURRENT		
Deferred income from Australia Council	<u>228,315</u>	<u>31,593</u>

10 Auditors' Remuneration

Remuneration of the auditor DFK Laurence Varnay Auditors Pty Ltd for:		
- Reviewing the financial statements	<u>3,500</u>	<u>3,000</u>

Sydney Improvised Music Association Incorporated

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Notes to the Financial Statements

For the Year Ended 31 December 2021

11 Contingencies

In the opinion of the Directors, the Association did not have any contingencies at 31 December 2021 (31 December 2020: None).

12 Related Parties

(a) Transactions involving committee members

SIMA's President is a board member of the Sydney International Jazz Festival with whom SIMA co-presents the Sydney International Women's Jazz Festival.

All Committee members are members of SIMA and pay membership fees which entitles them to attend performances at the same beneficial ticket prices as all other members.

13 Events Occurring After the Reporting Date

As the COVID-19 pandemic continues to create uncertainty in both local and global communities and economies, the Association continues to consider the impact on its future operations and undertake appropriate measures and precautions in response.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

14 Statutory Information

The registered office and principal place of business of the Association is:

Sydney Improvised Music Association Incorporated
3a Joynton Ave
Zetland NSW 2017

Sydney Improvised Music Association Incorporated

ABN: 72 643 038 240

Statement by Members of the Committee

In the opinion of the Committee members of Sydney Improvised Music Association (SIMA).

1. SIMA is not publicly accountable;

2. The financial statements and notes, as set out on pages 9 to 20, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Act 2009 :

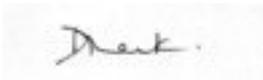
(a) giving a true and fair view of the financial position of SIMA as at 31 December 2021 and of its performance for the financial year ended on that date; and

(b) complying with Australian Accounting Standards - Simplified Disclosure Requirements, the Australian Charities and Not-for-profits Commission Regulation 2013 and Associations Incorporation Regulation 2016; and

(c) there are reasonable grounds to believe that SIMA will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Members of the Committee and is signed for an on behalf of the committee by:

President



David Theak

Dated this 30th day of June 2022

Independent Auditor's Review Report to the Members of Sydney Improvised Music Association Incorporated

Report on the Yearly Financial Report

Conclusion

We have reviewed the accompanying **Yearly Financial Report** of Sydney Improvised Music Association Incorporated (the association), which comprises the statement of financial position as at 31 December 2021, the statement of income and retained surplus for the year ended 31 December 2021, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Committee.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Yearly Financial Report of Sydney Improvised Music Association Incorporated is not in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2009*, including:

- giving a true and fair view of the Association's financial position as at 31 December 2021 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards – Simplified Disclosure Requirements (including Australian Accounting Interpretations) and *the Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2009*.

Members' Responsibility for the Yearly Financial Report

The Members of the Association are responsible for:

- the preparation of the Yearly Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and *the Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2009*; and
- for such internal control as the Members determine is necessary to enable the preparation of the Yearly Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Yearly Financial Report

Our responsibility is to express a conclusion on the Yearly Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement *ASRE 2415 Review of a Financial Report: Association Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation (Compiled)*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Yearly Financial Report is not in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2009* including: giving a true and fair view of the Association's financial position as at 31 December 2021 and its performance for the year ended on that date; and complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and *the Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2009*. As the auditor of Sydney Improvised Music Association Incorporated, ASRE 2415 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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Independent Auditor's Review Report to the Members of Sydney Improvised Music Association Incorporated

A review of a Yearly Financial Report consists of making enquires, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2009*.

DFK Laurence Varnay Auditors Pty Ltd



Faizal Ajmat
Director

Sydney

Date: 04 July 2022