

FINANCIALS

OPERATING RESULT

The overall contribution is a loss for the year of \$19.6m. This comprises a contribution from Operations of \$4m and a net loss of \$23.6m from building maintenance and development.

Sydney Opera House actively prioritises general activities to ensure that it has adequate cash reserves to maintain and sustain operations. Over 2007/08 the operating cashflow was \$2m. The key elements of this were the 2007/08 general operations \$4m contribution offset by investment in capital assets of \$2m. The strong operating contribution benefited from a number of one off events and a deferral of some programming investment into 2008/09.

Maintenance of adequate cash reserves has allowed general operating activities to cope with fluctuation in commercial and philanthropy income as well as manage risks associated with around-the-clock building operations. General operating cash reserves at \$6.4m are not considered large being only 8% of operating revenue and immaterial in terms of \$1.9 billion in net assets. This should also be seen in the context of the economic environment in early 2008/09 which is driving weaker commercial activity and contribution. Tourism numbers in particular are expected to slow, highlighting uncertainty in global markets.

Operating Revenue

The 2007/08 year was also a strong year for operating revenues which grew by 8%, an increase of \$6m on the prior year. Key points to note include:

- venue based rentals and recoveries increased by 18% to \$17.5m due to growth in Concert Hall and Outdoor activities;
- tourism revenues grew by 8% to \$515,000 due to higher language tours revenue.

Sydney Opera House continued to play a key role in the support and development of new artists and diverse art forms:

- overall 1,661 performances were presented at the Sydney Opera House an audiences of 1,269,996, an increase of 4% and 5% respectively over the prior year;
- our four Resident Companies presented 557 performances covering opera, music, ballet and theatre to audiences of 681,300; and
- Sydney Opera House presented 734 performances, covering a wide range of genres to audiences of 303,771.

Expenditure on Sydney Opera House supported programming activities increased to \$8.5m with a cost, net of related production income, of \$2.4m.

Building Development and Maintenance

The net loss of \$23.6m attributable to building maintenance and development is primarily a timing variance as government grants are received in one financial year period and expended in the same or subsequent financial year periods.

The maintenance funding for 2007/08 was \$23m of which \$16.1m was received in advance in 2006/07. In 2007/08 maintenance expenditure totalled \$22.8m, of which \$7.6m was capitalised.

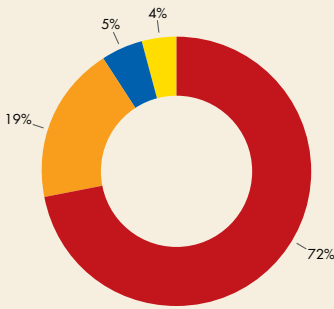
Building development grants for \$25m covering the refurbishment of the Parapet wall, roadway and Place of Public Entertainment compliance were received in 2006/07, with work commencing on these projects in 2007/08. The \$5.3m expended on these projects at 30 June 2008 is largely capital.

In 2007/08 the Venue Improvement Programme (VIP) capital funding (part of a \$69m package of funding approved by NSW Government in 2001/02) achieved:

- significant progression on the construction of the Western Foyers Upgrade and Accessibility Project, which will result in lift access at the lower concourse, main arrivals concourse and Box Office levels, with escalators then carrying patrons up to the southern foyer level of the Concert Hall and Opera Theatre. Also the works comprise accessibility improvements to the Playhouse Theatre; and
- investigations into acoustic improvements for the Concert Hall.

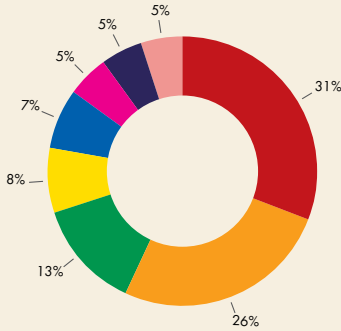
	2008 \$000	2007 \$000
Operating Activities		
<i>Revenues</i>		
Operating revenues	62,923	56,937
Government endowment	14,424	13,148
	77,347	70,085
<i>Expenses</i>		
Operating expenses	73,307	69,191
Operating profit before depreciation and other activities	4,041	894
Other Activities		
<i>Revenues</i>		
Maintenance grants	6,939	16,100
Other capital grants	0	34,424
Asset-related revenues & adjustments	3,092	1,962
Appeal fund	0	10
	10,031	52,496
<i>Expenses</i>		
Decrease in prepaid superannuation	0	6
Building refurbishment & maintenance expenses	15,992	14,821
Depreciation	17,723	18,395
	33,715	33,222
Other Activities surplus/(deficit) incl. depreciation	(23,684)	19,274
Surplus/(Deficit) for year, as per Audited Financial Report Income Statement	(19,643)	20,168

**SOURCES OF FUNDING FOR OPERATING ACTIVITIES
2008/07**



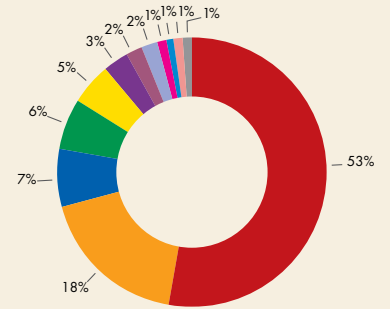
	\$000
Self-generated - commercial & recoveries	55,979
Endowment	14,424
Self-generated fundraising	4,009
Interest	2,935

**COMMERCIAL REVENUE SOURCES
2008/07**



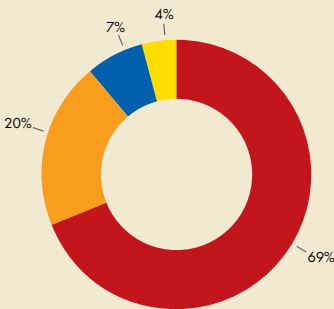
	\$000
Venue rental & recoveries	17,465
Programming	14,329
Tourism Services	7,259
Food and Beverage	4,629
Ticketing Services	3,935
Front of House	2,958
Business Development & Retail	2,669
Other revenue & recoveries	2,735

**OPERATING EXPENSES
2008/07**

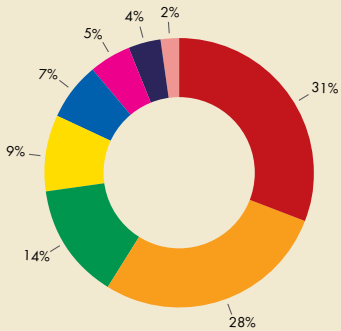


	\$000
Personnel expenses	38,564
Presentations	13,476
Marketing	5,348
Facility expenses	4,390
Administration	3,886
Fees for Services	1,962
Merchandising (incl. joint ventures)	1,726
Other	1,170
Tourism	1,041
Repairs & Maintenance	604
Consumables & Minor Equip.	742
Training	388

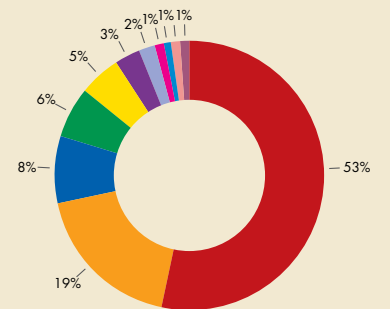
2006/07



2006/07



2006/07



FINANCIAL STATEMENTS

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SYDNEY OPERA HOUSE TRUST

STATEMENT IN ACCORDANCE WITH SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT, 1983

Pursuant to Section 41C of the Public Finance and Audit Act, 1983, and in accordance with a resolution of the Sydney Opera House Trust, we being members of the Trust, state that:

1. In our opinion, the accompanying financial report exhibit a true and fair view of the financial position of the Sydney Opera House Trust as at 30 June 2008, and financial performance for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit Regulation 2005 and the Treasurer's Directions.

Further, we are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



KIM WILLIAMS AM
CHAIRMAN



SUE NATRASS AO
MEMBER, RISK MANAGEMENT COMMITTEE

SYDNEY
2 OCTOBER 2008



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDITOR'S REPORT SYDNEY OPERA HOUSE TRUST

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Sydney Opera House Trust (the Trust), which comprises the balance sheet as at 30 June 2008, the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Trust as at 30 June 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

The Trustees' Responsibility for the Financial Report

The members of the Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 controls relevant to the Trust's preparation and fair presentation of the financial report 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 Trust's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does not provide assurance:

- about the future viability of the Trust,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor General, and
- mandating the Auditor General as auditor of public sector agencies but precluding the provision of non audit services, thus ensuring the Auditor General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

Peter Carr FCPA
Director, Financial Audit Services

8 October 2008
SYDNEY

BEGINNING OF AUDITED FINANCIAL REPORT
INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$000	2007 \$000
Income			
Sale of goods and services income	3(a)	49,527	44,702
Share of net profits for joint ventures accounted for using the equity method	18	607	704
Investment income	3(b)	6,231	4,849
Grants and contributions	3(c)	4,088	5,312
Government contributions income	3(d)	21,363	63,672
Total Income		81,816	119,239
Expenses			
Personnel services expense	4(a)	39,054	37,213
Other expenses	4(b)	28,636	28,696
Maintenance expense	4(c)	15,968	14,701
Depreciation and amortisation expense	4(d)	17,801	18,461
Total Expenses		101,459	99,071
(Deficit)/Surplus for the Year	19	(19,643)	20,168

STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$000	2007 \$000
Net (decrease) in Hedging reserve	8	(7)	-
Total loss recognised directly in equity		(7)	-
(Deficit) / Surplus for the period	19	(19,643)	20,168
Total Recognised income and expense for the year		(19,650)	20,168

The accompanying notes form part of this financial report.

BALANCE SHEET

AS AT 30 JUNE 2008

	NOTE	2008 \$000	2007 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	6	75,303	104,945
Trade and other receivables	7	2,362	4,649
Prepayments		2,852	436
GST Receivable		1,452	1,312
Derivatives used for hedging	8	373	-
Inventory	9	93	64
Total Current Assets		82,435	111,406
Non-current Assets			
Property, plant and equipment	10	1,833,476	1,823,465
Intangible assets	11	1,029	1,472
Investment accounted for using equity method	18	221	221
Total Non-current Assets		1,834,726	1,825,158
Total Assets		1,917,161	1,936,564
LIABILITIES			
Current Liabilities			
Trade and other payables	12	8,227	9,220
Deferred Revenue	13	6,767	6,386
Payables - Personnel Service providers	14	6,045	5,676
Derivative financial instruments	8	380	-
Total Current Liabilities		21,419	21,282
Non-current Liabilities			
Payables - Personnel Service providers	14	704	658
Provisions	15	403	338
Total Non-Current Liabilities		1,107	996
Total Liabilities		22,526	22,278
Net Assets		1,894,635	1,914,286
EQUITY			
Accumulated funds	19	244,485	264,128
Reserve	19	1,650,150	1,650,158
Total Equity		1,894,635	1,914,286

The accompanying notes form part of this financial report.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$000	2007 \$000
Cash flows from operating activities			
Receipts			
Receipts from operations		67,374	55,881
Interest received		6,235	4,868
Cash flows from Government		21,363	63,672
Total Receipts		94,972	124,421
Payments			
Payments to suppliers and personnel service providers		(97,494)	(88,952)
Total Payments		(97,494)	(88,952)
Net Cash (outflows) / inflows provided by operating activities	25	(2,522)	35,469
Cash flows from investing activities			
Payments for property, plant and equipment		(27,120)	(17,147)
Net cash (outflows) / inflows from investing activities		(27,120)	(17,147)
Net (decrease) / increase in cash and cash equivalents		(29,642)	18,322
Cash and cash equivalents at the beginning of the financial year		104,945	86,623
Cash and cash equivalents at the end of the financial year	6	75,303	104,945

The accompanying notes form part of this financial report.

SYDNEY OPERA HOUSE TRUST NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Sydney Opera House Trust is constituted as a body corporate by the Sydney Opera House Trust Act, 1961. It is designated as a transitional entity by the NSW Treasury and required to use the not for profit accounting standards.

This financial report for the year ended 30 June 2008 has been authorised for issue by the Sydney Opera House Trust on 2 October 2008.

(b) Basis of Preparation

The financial report is a general purpose financial report which has been prepared on an accruals basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act, 1983, and the Public Finance and Audit (General) Regulation, 2005, and Treasurer's Directions.

Property, plant and equipment, collection assets and financial assets at 'fair value through profit or loss' are measured at fair value. Other financial report items are prepared on an accrual basis and based on historical costs. The methods used for measuring fair value are discussed further below.

The Trust has kept proper accounts and records in relation to all of its operations in accordance with Section 41(1) of the Public Finance and Audit Act.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

Figures shown in the financial report have been rounded to the nearest \$1,000 and expressed in Australian currency, except in note 5 where amounts are stated in whole dollars.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

(d) Insurance

The Trust's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

(e) Accounting for Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- the amount of GST incurred by the Trust as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(f) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Government Contributions

Government contributions (including grants and donations) are recognised as revenue when the Trust obtains control over the assets. Control over Government contributions is obtained upon the receipt of cash.

(ii) Sale of Goods

Revenue from the sale of goods is recognised as income when the Trust transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment Income

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement. Rental revenue is recognised in accordance with AASB 117 Leases on a straight-line basis over the lease term.

Royalty income is recognised in accordance with AASB 118 Revenue on an accrual basis in accordance with the substance of the relevant agreement.

(v) Grants and Contributions

Grants and contributions (including donations) are generally recognised as income, when the Trust obtains control over the assets comprising the grants and contributions. Control over grants and contributions is normally obtained when the obligations relating to the receipt have been met and in the case of donations on receipt of cash.

(g) Assets

(i) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Trust. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation Threshold

Property, plant and equipment costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-01). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment and AASB 140 Investment Property.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Trust revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2006 and was based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus / deficit, the increment is recognised immediately as Income in the surplus / deficit.

Revaluation decrements are recognised immediately as expenses in the surplus, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(iv) Impairment of Property, Plant & Equipment

As a transitional entity, reporting under the not-for-profit guidelines, the impairment testing requirements are modified under AASB 136. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are deemed immaterial.

(v) Intangible Assets

The intangible assets held by Sydney Opera House Trust comprise software for internal use and is recognised at cost.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the agency's intangible assets, the assets are carried at cost less any accumulated amortisation.

The useful lives of intangible assets are assessed to be finite. The Trust's software is amortised on a straight line basis over 3-5 years.

All intangible assets were assessed for impairment as at 30 June 2008. No intangible assets were found to be impaired.

(vi) Depreciation and Amortisation

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the depreciable amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Land is not a depreciable asset. The Sydney Opera House building and the artwork collection are considered to be heritage assets with an extremely long useful life. Depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

Depreciation rates are shown hereunder:

Category of Assets	Rate of Depreciation %
Building services	10.0
Computer hardware	33.3
Plant and equipment	10.0
Office machines	20.0
Photographic equipment	33.3
Communications equipment	20.0
Theatrical equipment	10.0 & 20.0
Tools and test equipment	20.0
Forklifts	10.0
Grand Organ	1.0
Amortisation of leasehold improvements	20.0 & 33.3

(vii) Maintenance

The costs of day-to-day servicing or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(viii) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

The Trust has no finance leases.

Operating lease payments are charged to the Income Statement in the periods in which they are incurred.

The cost of improvement to or on leasehold property is capitalised and disclosed as leasehold improvements and amortised over the unexpired period of the lease term.

Leasehold decommissioning costs have been capitalised and expensed where the Sydney Opera House Trust are contractually bound to restore the leased premises upon lease expiry. The asset and provision for decommissioning costs represents the present value of the trustees' best estimate of the future sacrifice of economic benefits that will be required to restore the leased premises to their original condition. The estimate has been made on the basis of market value on commercially leased property. The unexpired terms of the premises lease range from 2 to 3 years.

(ix) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(x) Inventories

Inventories held for distribution are stated at cost, adjusted when applicable for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Cost is assigned to individual items of inventory using the weighted average cost method.

(xi) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs.

The Trust determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

- Fair value through profit or loss - The Trust subsequently measures investments classified as "held for trading" or designated upon initial recognition "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term.

The Hour-Glass Investment Facilities (other than the Hour Glass Cash facility) are designated at fair value through profit or loss using the second leg of the fair value option – i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Trust's key management personnel.

Any Hour Glass Investment facilities held by the Trust are short term unit trust investment funds managed by the NSW Treasury Corporation. The agency has been issued with a number of units in TCorp's Hour Glass Cash Facility Trust, based on the amount of the deposit and the unit value for the day.

- Held to maturity investments – Non-derivative financial assets with fixed or determinable payments and fixed maturity that the agency has the positive intention and ability to hold to maturity are classified as "held to maturity". These investments are measured at amortised cost using the effective interest method. Changes are recognised in the operating statement when impaired, derecognised or through the amortisation process.

- Available for sale investments - Any residual investments that do not fall into any other category are accounted for as available for sale investments and measured at fair value directly in equity until disposed or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the operating statement. However, interest calculated using the effective interest method and dividends are recognised in the operating statement.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date; i.e. the date the entity commits to purchase or sell the asset. The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the balance sheet date.

(xii) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the operating statement. When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the operating statement, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the operating statement.

Any reversals of impairment losses are reversed through the operating statement, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xiii) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the agency transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the agency has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the agency has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the agency's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(xiv) Derivative Financial Instruments

The Trust holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially recognised at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as below.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedge instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs.

(xv) Other Assets

Other assets are recognised on a cost basis.

(h) Personnel Services and other Provisions

(i) Personnel Services Arrangements

The Trust and the Department of Arts, Sport and Recreation (DASR), entered into a Memorandum of Understanding effective from 1 July 2006 which sets out the arrangements for employment and payment of staff working at the Sydney Opera House which are considered employees of DASR. All payments to personnel and related obligations are done in DASR name and ABN and are classified as "Personnel Services" costs in these financial statements.

(ii) Personnel Services, Annual Leave, Sick Leave and On-costs

Based on the memorandum and employment agreement with the Department of the Arts, Sport and Recreation, provisions are calculated as part of the personnel services and stated as a liability to the service provider, the Department of the Arts, Sport and Recreation. Provision is made for benefits accrued for personnel services (including non-monetary benefits), and annual leave that fall due wholly within 12 months of the reporting date are recognised and measured on a nominal basis.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to the provision of personnel services by the Department of the Arts, Sport and Recreation, are recognised as liabilities and expenses where the personnel services to which they relate, have been recognised.

(iii) Long Service Leave and Superannuation

In the financial statements of the Department of the Arts, Sport and Recreation, long service leave is calculated in accordance with AASB 119 Employee Benefits for employees with 5 or more years of service, using current rates of pay. It is measured using an actuarial assessment with reference to the government bond rate of 6.25% to arrive at the reported value and a current liability. The Sydney Opera House Trust reports the equivalent expense and liability in its financial statements to reflect this provision of personnel services.

The superannuation expense for the financial year is determined by using the formulae specified in NSW Treasury guidelines. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the equivalent of employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the equivalent of employees' superannuation contributions.

Prepaid superannuation contributions are recognised as non-current assets in the Balance Sheet of the Department of the Arts, Sport and Recreation as required by AASB 119. Sydney Opera House Trust offsets the same value against the Personnel Services payable to the Department of the Arts, Sport and Recreation provided for under current liabilities.

(i) Other Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Trust and other amounts, including interest, advance ticket sales and other income in advance. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Other Provisions

Other provisions are recognised when: the Trust has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risk specific to the liability.

(j) Joint Ventures

The Trust's interests in joint ventures are determined as joint venture entities and accounted for using the equity method. The Trust's share of income, expenses, liabilities and assets of the joint venture is disclosed in the notes. A joint venture entity is where entities separate from the ventures are established to undertake a joint activity.

(k) Fundraising and Bequests

The Trust receives donations and manages bequests. The incomes provide for expenditure in the current year and in future years. The transactions are reported within the Trust's financial report. Amounts unspent in any year are carried forward for appropriate expenditure in future years. Details are provided in the notes to these financial statements.

(l) Comparative information

Except where an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(m) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The following new Accounting Standards and Interpretations have not yet been adopted and are not yet effective.

- AASB 8 Operating Segments (1 January 2009) and AASB 2007-3 Amendments to Australian Accounting Standards from AASB 8 (1 January 2009) - introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Trust's 30 June 2010 reporting period will require the disclosure of segment information based on internal reports reviewed by the Trust Chief Operating Decision Maker in order to assess each segment's performance and allocate resources to them. As the Trust is currently completing an organisational restructure, and updating management reporting accordingly, it has not yet determined the final segment information that will be reported under the management approach
- AASB 101 Presentation of Financial Statements (1 January 2009) and AASB 2007-8 Amendments to Australian Accounting Standard arising from AASB 101 (1 January 2009) - introduces as a financial statement the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 becomes mandatory for the Trust's 30 June 2010 reporting period. The Trust has not yet determined the potential effect of the revised standard on the Trust's disclosures.
- AASB 123 Borrowing Costs (1 January 2009) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (1 January 2009) - removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 becomes mandatory for the Trust's 30 June 2010 reporting period. As the Trust does not have any borrowings the revised standard is not currently expected to have an effect on the Trust's financial report.
- AASB 1004 Contributions (December 2007) – requires increased disclosures from AAS 27. For the most part the standard carries forward the existing application requirements of AAS 29 and AAS 31, and the standard is not currently expected to have a significant impact on the Trust's financial report.
- AASB 1049 Financial Reporting of General Government Sectors by Government (1 July 2008) requires that the whole-of-government and general government sector (GGS) financial report must be prepared on a harmonised Government Finance Statistics (GFS) / Accounting Standard (GAAP) basis. The revised AASB 101 becomes mandatory for reporting periods commencing on or after 1 July 2008. However, the revised standard only impacts on the whole of government and GGS, and does not currently impact individual public sector entities, such as the Trust.
- AASB 2007-9 Amendments to Australian Accounting Standard arising from the review of AASs 27, 29 & 31 (1 July 2008) relocates certain requirements from AAS 27, AAS 29 and AAS 31 into existing topic-based Standards and also makes consequential amendments. The Standard clarifies that for-profit government departments are outside the scope of both AASB 8 Operating Segments and AASB 114 Segment Reporting and may not always be able to comply with IFRSs. The Trust is a not a for-profit government department, and does not expect to be impacted by these revisions.
- Interpretation 4 regarding determining whether an arrangement contains a lease (February 2007) – is amended as a result of Interpretation 12. The Trust has not yet determined the potential effect, if any, of the interpretation on the Trust's financial report.

- Interpretation 12 Service Concession Arrangements - provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. Interpretation 12, which becomes mandatory for the Trust's 30 June 2009 reporting period, is not expected to have an effect on the financial report.
- Interpretation 13 Customer Loyalty Programmes - addresses accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. Interpretation 13, which becomes mandatory for the Trust's 30 June 2009 reporting period, is not expected to have an effect on the financial report.
- Interpretation 14 IAS 19 The limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction -clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements (MFR) on such assets. It also addresses when a MFR may give rise to a liability. Interpretation 14 will become mandatory for the Trust's 30 June 2009 reporting period, with retrospective application required. The Trust has not yet determined the potential effect of the interpretation on the financial report.

2. FINANCIAL RISK MANAGEMENT

The Trust has exposure to the following risks from the use of financial instruments:

- credit risk
- liquidity risk
- market risk

These financial instruments arise directly from Sydney Opera House Trust's operations or are required to finance the Trust's operations. The Trust does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

This note presents information about the Trust's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included as appropriate, throughout the financial report.

The Risk Management Committee of the Trust has overall responsibility for the establishment and oversight of the risk management framework and agrees policies for managing risks. Compliance with policies is reviewed by the Internal auditors and the Risk Management Committee on a continuous basis. The chair of the Risk Management Committee is an independent member of the Trust, and the committee regularly reports to the Trust on its activities.

A regular business risk assessment is undertaken to identify and analyse the risks faced by the Trust, to determine appropriate controls and monitoring mechanisms, and formulate the internal audit program. Internal Audit undertakes both regular and ad hoc reviews of management controls and procedures, the results of which are reported to the Risk Management Committee. In addition the Risk Management Committee seeks reports of management on a range of risk management activities.

(a) Credit Risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the financial assets of the Trust, including cash, receivables and authority deposits held through the normal course of business. The Trust's maximum exposure to credit risk is represented by the carrying amount of the financial assets (net of any allowance for impairment).

(i) Trade and Other Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. The Trust has raised an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables, based on objective evidence that all amounts due will not be able to be collected. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

(ii) Other Financial Assets

Credit risk associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and spread of establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State. TCorp deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. The Trust has also placed funds on deposit with major banks, having regard to the rating provided by Standard & Poors. Bank deposits are for fixed terms, and the interest rate payable is negotiated initially and is fixed for the term of the deposit. The interest rate payable on at call deposits vary. None of these assets are past due or impaired.

The Trust has short term investments in (New South Wales Treasury Corporation's) TCorp's Hour-Glass investment facilities. The Trust's investments are represented by a number of units in a cash facility. The deposits have varying maturity dates. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

(b) Liquidity risk

Liquidity risk is the risk that the Trust will be unable to meet its payment obligations when they fall due. The Trust continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

The Trust holds no loan facilities and during the current and prior years, there were no instances of bank overdrafts. The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

(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, such as foreign exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns. The Trust's exposures to market risk is primarily through currency risk on purchases that are denominated in a currency other than Australian Dollars and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The interest rate risk is not expected to significantly impact the operating results and financial position. The Trust does not enter into commodity contracts.

(d) Currency Risk

The Trust is exposed to currency risk on purchases made in currencies other than Australian Dollars. The currencies in which these transactions are primarily denominated are Euro, GBP and USD. The Trust fully hedges any substantial future foreign currency purchases when contracted. The Trust uses forward exchange contracts to hedge its currency risk, with maturity dates on the same dates as the contracted payments.

(e) Other price risk – TCorp Hour Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment facilities, which are held for strategic rather than trading purposes. The Trust has no direct equity investments. The Trust holds units in the TCorp Hour-Glass Cash Facility comprising of Cash and money market instruments of up to 2 years.

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily. NSW TCorp as trustee for the facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp, acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities (other than the Hour Glass cash facility, which is included as cash) are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

3. INCOME

	2008 \$000	2007 \$000
(a) Sales of goods and services		
Production income	14,081	13,571
Theatre services	10,404	8,956
Venue rentals	7,097	6,446
Guided tours	6,421	5,685
Outsourced food and beverage	4,132	4,083
Booking fees and charges	3,652	3,383
Miscellaneous income	2,654	1,039
Tourism packages and events	793	1,223
Outsourced merchandising, licensing & retail	293	316
	49,527	44,702
(b) Investment income		
Interest from financial assets not at fair value through profit or loss	6,231	4,849
	6,231	4,849
(c) Grants and Contributions		
In-kind sponsorship	1,896	2,077
Cash sponsorship	1,386	2,202
Fixed assets contribution	-	269
Cash Donations	536	474
In-kind donations	250	250
Grants other	20	40
	4,088	5,312
(d) Government Contributions Income		
Recurrent		
Annual endowment	14,424	13,148
	14,424	13,148
Capital and Maintenance		
Strategic Asset Maintenance	6,939	16,100
Other Major Projects	-	9,424
Major Maintenance Work	-	25,000
	6,939	50,524
	21,363	63,672

Government contributions income received in 2007 includes grants for 2006/07 and the advance receipt of \$41.1m of 2007/08 grants, as follows:

FY 2007	2007 Govt. Contributions \$000	2008 Govt. Contributions \$000	Total Govt. Contributions \$000
Recurrent - Annual Endowment	13,148*	-	13,148
Capital - Strategic Asset Maintenance	-	16,100	16,100
Capital - Other Major Projects	9,424	-	9,424
Capital - Western Theatres	-	25,000	25,000
Smoke Management	-	25,000	25,000
	22,572	41,100	63,672

* A total endowment grant for 2006/07 of \$14.419m was paid as follows: \$1.271m in 2005/06 and \$13.148m in 2006/07.

4. EXPENSES

	2008 \$000	2007 \$000
(a) Personnel Services Expenses		
All of the Sydney Opera House's personnel services are provided by the Department of the Arts, Sport and Recreation except for temporary assistance which is included below:		
Salary, wages and allowances (including recreation leave)	32,483	29,986
Penalties & Overtime	4,282	4,385
Superannuation-defined contribution plans	2,453	2,291
Superannuation-defined benefit plans	411	447
Superannuation-(increase)/decrease in prepaid position	(184)	6
Payroll tax and fringe benefits tax	2,323	2,307
Workers compensation insurance	923	1,412
Redundancies	708	799
Other Expenses	98	97
	43,497	41,730
Less: charged to maintenance	4,443	4,517
	39,054	37,213
(b) Other Expenses		
Artist fees and presentation expenses	7,861	9,413
Publicity and advertising	5,175	4,970
Utilities and cleaning	3,733	3,544
Administration expenses	3,367	3,758
Consumables and minor equipment	2,511	1,385
Fees for services rendered	2,197	2,535
Tourism packages and events	1,041	1,023
Building and general insurance	879	803
Bank and credit card charges	651	540
Rent payments on operating leases	960	464
Loss on disposal of fixed assets	191	180
Bad and doubtful debt expense	(6)	21
Audit fee – audit of financial report	76	60
	28,636	28,696
(c) Maintenance		
Computer hardware maintenance	131	141
Software and network maintenance	417	330
Building and equipment repairs and maintenance	10,977	9,713
	11,525	10,184
Plus: Personnel services maintenance charge	4,443	4,517
	15,968	14,701
(d) Depreciation, amortisation and make good Depreciation		
Building and building services	9,107	8,945
Plant and equipment	8,174	8,938
	17,281	17,883
Amortisation		
Intangible Assets	443	511
Provision		
Lease Make Good Expense	78	67
	17,801	18,461

5. TRUSTEES' REMUNERATION

Trustees' remuneration is based on the following rates:

	2008 \$	2007 \$
Chairman	-	2,465
Trustees	-	1,460

No emoluments were paid to the Trustees during the year (\$5,919 in 2005/06). The Trustees resolved to cease being remunerated from 1 January 2007.

6. CASH AND CASH EQUIVALENTS

	2008 \$000	2007 \$000
Cash at bank and on hand	4,127	1,800
Hour-Glass cash facilities	31,486	57,473
Short term money market deposits	39,574	45,559
NSW Treasury Corporation short term investments	116	113
	75,303	104,945
Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the year to the Cash Flow Statement as follows:		
Cash and cash equivalents	75,303	104,945

Refer note 16 for details regarding interest rate risk and a sensitivity analysis for financial assets and liabilities.

7. TRADE AND OTHER RECEIVABLES

	2008 \$000	2007 \$000
Trade receivables	1,506	3,510
Allowance for impairment of receivables	(85)	(91)
Accrued Income	815	944
Other receivables	126	286
	2,362	4,649

Refer note 16 for details regarding exposure to credit and currency risk and impairment losses related to trade and other receivables.

8. DERIVATIVES USED FOR HEDGING
Foreign Currency Risk Management

The Trust undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts to manage risk.

Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated purchase transaction takes place.

The following table details the forward foreign currency hedge contracts outstanding as at reporting date:

Foreign Currency Forward Contracts	Exchange Rate AUD to Euro		Forward Rate (liability) \$000		Fair Value (asset) \$000	
	2008	2007	2008	2007	2008	2007
€102,000 (Euro) Forward rate	.6034	-	169	-	-	-
€102,000 spot rate at FY end	.6155	-	-	-	166	-
€127,500 (Euro) Forward rate	.6034	-	211	-	-	-
€127,500 spot rate at FY end	.6155	-	-	-	207	-
Total			380	-	373	-

The Sydney Opera House Trust entered into contracts for the purchase of €102,000 (expiry 1 July 2008) and €127,500 (expiry 1 July 2008). The entity entered into forward foreign exchange contracts for a specific performance to hedge the exchange rate risk arising from the anticipated future transaction.

As at reporting date the aggregate amount of unrealised loss on forward foreign exchange contracts relating to anticipated future transactions is \$7,477 (2007: \$nil). In the current year, these unrealised losses have been deferred in the hedging reserve to the extent the hedge is effective.

9. INVENTORY - HELD FOR DISTRIBUTION

	2008 \$000	2007 \$000
Finished goods - at cost adjusted for obsolescence	93	64
Total inventory	93	64

10. PROPERTY, PLANT AND EQUIPMENT

	2008 \$000	2007 \$000
Land		
At fair value	75,000	75,000
Land - at fair value	75,000	75,000
Building and building services		
Gross carrying amount	1,727,133	1,725,566
Less: accumulated depreciation & impairment	59,387	50,285
Buildings and building services - at fair value	1,667,746	1,675,281
Land and buildings - at fair value	1,742,746	1,750,281
Plant and equipment		
Gross carrying amount	77,410	77,874
Less: accumulated depreciation & impairment	46,818	39,199
Plant and equipment - at fair value	30,592	38,675
Collections - works of art - at fair value	4,757	4,765
Work in progress - at fair value	55,381	29,744
Property, plant and equipment - at fair value	1,833,476	1,823,465

Reconciliations

Reconciliation of the fair value of Property, Plant and Equipment are set out below:

2008	Land and Building \$000	Plant and Equipment \$000	Work in Progress \$000	Collections \$000	Total \$000
Fair value at start of year	1,750,281	38,675	29,744	4,765	1,823,465
Additions	1,020	160	26,381	1	27,561
Disposals	(50)	(69)	(64)	(8)	(191)
Reclassification	680	-	(680)	-	-
Make good	(78)	-	-	-	(78)
Depreciation	(9,107)	(8,174)	-	-	(17,281)
Fair value at end of year	1,742,746	30,592	55,381	4,757	1,833,476

The value of work in progress represents plant and equipment, roof lighting, security upgrade and the Venue Improvement Program capital works not completed at 30 June 2008.

The comparative reconciliation for the year ended 30 June 2007 is set out below:

2007	Land and Building \$000	Plant and Equipment \$000	Work in Progress \$000	Collections \$000	Total \$000
Fair value at start of year	1,755,489	45,169	15,704	4,765	1,821,127
Additions	1,639	1,801	17,382	-	20,822
Disposals	(21)	(156)	-	-	(177)
Reclassification	2,186	799	(3,342)	-	(357)
Make good	(67)	-	-	-	(67)
Depreciation	(8,945)	(8,938)	-	-	(17,883)
Fair value at end of year	1,750,281	38,675	29,744	4,765	1,823,465

11. INTANGIBLE ASSETS

	2008 \$000	2007 \$000
Software		
At cost (gross carrying amount)	3,090	3,090
Less accumulated amortisation & impairment	2,061	1,618
Net carrying amount	1,029	1,472
Reconciliation of the fair value of Intangibles is set out below:		
Intangibles - fair value at start of year	1,472	1,406
Additions	-	223
Reclassification	-	357
Disposals	-	(3)
Depreciation	(443)	(511)
Intangibles - Fair value at end of year	1,029	1,472

12. TRADE AND OTHER PAYABLES

	2008 \$000	2007 \$000
Trade creditors	3,538	5,545
Accrued expenses	4,608	3,527
Other payables	81	148
	8,227	9,220

Refer note 16 for details regarding exposure to currency and liquidity risk related to trade and other payables.

13. DEFERRED REVENUE

	2008 \$000	2007 \$000
Advance ticket sales	4,860	5,213
Hirers' deposits	1,021	318
Income in advance	886	855
	6,767	6,386

14. PAYABLES - PERSONNEL SERVICES PROVIDERS

	2008 \$000	2007 \$000
CURRENT		
Annual leave and leave loading	2,748	2,792
Long service leave - current	3,890	3,498
Redundancy	628	911
Prepaid Superannuation	(2,075)	(2,371)
Accrued salaries and wages	648	611
Fringe benefit tax payable	65	98
PAYG Withholding Payable	(2)	-
Payroll tax payable	143	137
	6,045	5,676
NON-CURRENT		
Long service leave - non current	704	658
	704	658

Prepaid Superannuation

The funding position at 30 June 2008 in respect of the three defined benefits schemes related to personnel services received, namely the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS) has been advised by Pillar Administration:

Fund	Estimated Reserve Account Funds		Accrued Liability		Prepaid Contributions	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
SASS	6,799	7,340	6,683	7,196	115	143
SSS	50,356	55,517	48,440	53,346	1,916	2,171
SANCS	1,710	1,905	1,667	1,849	43	57
	58,864	64,762	56,790	62,391	2,075	2,371

Accounting policy for recognising actuarial gains/losses - Paragraph 120A (a)

Actuarial gains and losses are recognised in profit or loss in the year they occur.

General description of the type of plan - Paragraph 120A (b)

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS)

State Superannuation Scheme (SSS)

Police Superannuation Scheme (PSS)

State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members.

Reconciliation of the present value of the defined benefit obligation {AASB 119 - paragraph 120A(c)}

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Present value of partly funded defined benefit obligation at beginning of the year	5,525	1,185	28,053
Current service cost	215	65	114
Interest cost	344	73	1,747
Contributions by Fund participants	120	0	135
Actuarial (gains)/losses	(579)	(63)	(1,486)
Benefits paid	(231)	(74)	(1,520)
Past service cost	0	0	0
Curtailments	0	0	0
Settlements	0	0	0
Business Combinations	0	0	0
Exchange rate changes	0	0	0
Present value of partly funded defined benefit obligation at end of the year	5,394	1,186	27,043

Reconciliation of the fair value of Fund assets {AASB 119 - paragraph 120A(e)}

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Fair value of Fund assets at beginning of the year	7,340	1,905	55,517
Expected return on Fund assets	555	148	4,332
Actuarial gains/(losses)	(985)	(269)	(8,109)
Employer contributions	0	0	0
Contributions by Fund participants	120	0	135
Benefits paid	(231)	(74)	(1,520)
Settlements	0	0	0
Business Combinations	0	0	0
Exchange rate changes	0	0	0
Fair value of Fund assets at end of the year	(6,799)	(1,710)	(50,356)

Reconciliation of the assets and liabilities recognised in the balance sheet {AASB 119 - paragraphs 120A(d) and (f)}

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Present value of partly funded defined benefit obligation at beginning of the year	5,394	1,185	27,043
Fair value of Fund assets at end of the year	(6,799)	(1,710)	(50,356)
Subtotal	(1,405)	(524)	(23,313)
Unrecognised past service cost	0	0	0
Unrecognised gain/(loss)	0	0	0
Adjustment for limitation on net assets	1,289	481	21,397
Net Liability/(Asset) recognised in balance sheet at end of year	(115)	(43)	(1,916)

Expense recognised in income statement {AASB 119 - paragraph 46 & 120A(g)}

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Components Recognised in Income statement			
Current service cost	215	65	114
Interest cost	344	73	1,747
Expected return on Fund assets (net of expenses)	(555)	(148)	(4,332)
Actuarial losses/(gains) recognised in year	406	206	6,622
Past service cost	0	0	0
Movement in adjustment for limitation on net asset	(382)	(182)	(3,895)
Curtailment or settlement (gain)/loss	0	0	0
Expense/(income) recognised	28	14	255

Amounts recognised in the statement of recognised income and expense {AASB 119 - paragraph 120A(h)}

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Actuarial (gains)/losses	0	0	0
Adjustment for limit on net asset	0	0	0

Cumulative amount recognised in the statement of recognised income and expense {AASB 119 - paragraph 120A(i)}

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Cumulative amount of actuarial (gains)/losses	0	0	0
Cumulative adjustment for limitation on net asset	0	0	0

Fund assets {AASB 119 - paragraph 120A(j)}

The percentage invested in each asset class at the balance sheet date:

	30 June 2008
Australian equities	31.6%
Overseas equities	25.4%
Australian fixed interest securities	7.4%
Overseas fixed interest securities	7.5%
Property	11.0%
Cash	6.1%
Other	11.0%

Fair value of Fund assets {AASB 119 - paragraph 120A(k)}

All Fund assets are invested by STC at arm's length through independent fund managers.

Expected rate of return on assets {AASB 119 - paragraph 120A(l)}

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Actual Return on Fund Assets {AASB 119 - paragraph 120A(m)}

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Actual return on Fund assets	(468)	(121)	(3,548)

Valuation method and principal actuarial assumptions at the balance sheet date {AASB 119 - paragraph 120A(n)}
(a) Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

(b) Economic Assumptions

	30 June 08
Salary increase rate (excluding promotional increases)	3.5% pa
Rate of CPI Increase	2.5% pa
Expected rate of return on assets backing current pension liabilities	8.3%
Expected rate of return on assets backing other liabilities	7.3%
Discount rate	6.55% pa

Historical information {AASB 119 - paragraph 120A(p)}

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Present value of defined benefit obligation	5,394	1,185	27,043
Fair value of Fund assets	(6,799)	(1,710)	(50,356)
(Surplus)/Deficit in Fund	(1,405)	(524)	(23,313)
Experience adjustments - Fund liabilities	(579)	(63)	(1,486)
Experience adjustments - Fund assets	985	269	8,109

Expected contributions {AASB 119 - paragraph 120A(q)}

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Expected employer contributions	0	0	0

Funding Arrangements for Employer Contributions
(a) Surplus/deficit

The following is a summary of the 30 June 2008 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

Financial Year to 30 June 2008	SASS 2008 \$000	SANCS 2008 \$000	SSS 2008 \$000
Accrued benefits	5,397	1,190	24,723
Net market value of Fund assets	(6,799)	(1,710)	(50,356)
Net (surplus)/deficit	(1,402)	(520)	(25,632)

(b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS	SANCS	SSS
	Multiple of member contributions	% member salary	Multiple of member contributions
	0.00	0.00	0.00

(c) Funding method

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

(d) Economic assumptions

The economic assumptions adopted for the last actuarial review of the Fund were:

Weighted-Average Assumptions

Expected rate of return on Fund assets backing current pension liabilities	7.7% pa
Expected rate of return on Fund assets backing other liabilities	7.0% pa
Expected salary increase rate	4.0% pa
Expected rate of CPI increase	2.5% pa

Nature of Asset/Liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary. Where a deficiency exists, the employer is responsible for any difference between the employer's share of Fund assets and the defined benefit obligation.

Accounting policy for recognising actuarial gains/losses - Paragraph 120A (a)

Actuarial gains and losses are recognised in profit or loss in the year they occur.

General description of the type of plan - Paragraph 120A (b)

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS)

State Superannuation Scheme (SSS)

Police Superannuation Scheme (PSS)

State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members.

Reconciliation of the assets and liabilities recognised in the balance sheet - Paragraph 120A (c)

Financial Year to 30 June 2007	SASS 2007 \$000	SANCS 2007 \$000	SSS 2007 \$000
Present value of defined benefit obligations	5,525	1,185	28,054
Fair value of fund assets	(7,339)	(1,905)	(55,517)
Sub-total	(1,814)	(720)	(27,463)
Surplus in excess of recovery available from schemes	1,671	663	25,292
Unrecognised past service cost	-	-	-
Net asset to be disclosed in balance sheet	(143)	(57)	(2,171)

Assets invested in entity or in property occupied by the entity - Paragraph 120A (d)

All fund assets are invested by STC at arm's length through independent fund managers.

Movement in net asset recognised in balance sheet Paragraph 120A (e)

Financial Year to 30 June 2007	SASS 2007 \$000	SANCS 2007 \$000	SSS 2007 \$000
Net asset at start of year	(226)	(86)	(2,596)
Net expense recognised in the Income statement	83	29	425
Contributions	-	-	-
Net asset to be disclosed in balance sheet	(143)	(57)	(2,171)

Total expense recognised in Income statement - Paragraph 120A (g)

Financial Year to 30 June 2007	SASS 2007 \$000	SANCS 2007 \$000	SSS 2007 \$000
Current service cost	231	77	123
Interest on obligation	316	75	1,633
Expected return on plan assets	(543)	(148)	(3,663)
Net actuarial losses/ (gains) recognised in year	(34)	(45)	(5,042)
Change in surplus in excess of recovery available from scheme	112	70	7,373
Past service cost	-	-	-
Losses/ (gains) on curtailments and settlements	-	-	-
Total included in "personnel services expense"	82	29	424

Total expense recognised in Income statement - Paragraph 120A (g)

Financial Year to 30 June 2007	SASS 2007 \$000	SANCS 2007 \$000	SSS 2007 \$000
Actual return on plan assets	1,040	271	6,936

Valuation method and principal actuarial assumptions at the reporting date - Paragraph 120A (n)

(a) Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

(b) Economic Assumptions

	30 June 07
Discount rate at 30 June	6.4% pa
Expected return on plan assets at 30 June	7.6%
Expected salary increases	4.0% pa to June 2008; 3.5% pa thereafter
Expected rate of CPI increase	2.5% pa

Arrangements for employer contributions for funding Paragraph AUS 121.1

The following is a summary of the 30 June 2007 financial position of the Fund calculated in accordance with AAS 25 - Financial Reporting by Superannuation Plans.

Financial Year to 30 June 2007	SASS 2007 \$000	SANCS 2007 \$000	SSS 2007 \$000
Accrued benefits	5,474	1,173	25,170
Net market value of fund assets	(7,340)	(1,905)	(55,517)
Net surplus	(1,866)	(732)	(30,347)

Recommended contribution rates for the entity are:

	SASS	SANCS	SSS
	Multiple of member contributions	% member salary	Multiple of member contributions
	0.00	0.00	0.00

15. NON-CURRENT PROVISIONS

	2008 \$000	2007 \$000
Lease make good provisions	403	338
Total Non-Current Provisions	403	338

Reconciliations

Reconciliations of the fair value of Non-Current Provisions is set out below:

	2008 \$000	2007 \$000
Carrying amount at the start of the year	338	217
Additional provision recognised	65	121
Carrying amount at the end of the year	403	338

Under the lease agreements the Trust is required to reinstate the leased premises to the condition they were in at the commencement date.

16. FINANCIAL INSTRUMENTS
Financial Instrument Categories

Note	Category	Carrying Amount 2008 \$000	Carrying Amount 2007 \$000
Financial Assets			
Cash & cash equivalents	6 N/A	75,303	104,945
Trade & other receivables	7 Loans & receivables (at amortisation cost)	2,363	4,649
Derivatives used for hedging	8 Designated and effective hedging instrument	373	-
Financial Liabilities			
Trade & other receivables	12 Financial liabilities (at amortisation cost)	8,227	9,200
Derivative financial instruments	8 Designated and effective hedging instrument	380	-

Notes

- Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
- Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

(a) Credit Risk
Exposure to credit risk

The carrying amount of the Trust's financial assets represents the maximum credit exposure. The Trust's maximum exposure to credit risk at reporting date was:

NOTE	2008 \$000	2007 \$000
Income		
Cash & cash equivalents	6 75,303	104,945
Trade & other receivables	7 2,363	4,649
Forward exchange contracts used for hedging	8 373	-
	78,039	109,594

Cash & cash equivalents

Cash comprises cash on hand and bank balances with Commonwealth Bank. Cash is recorded at nominal values for cash on hand and cash held in bank accounts. Interest is earned on daily bank balances. The interest rate at year-end was 6.25% per annum (5.25% in 2007). The TCorp Hour Glass cash facility is discussed in note 16 (c) below.

The Trust has placed funds on deposit with TCorp, ANZ and Citibank.

The deposits at balance date were earning an average interest rate of 7.29% (6.65% in 2007), while over the year the average interest rate was 7.00% (6.16% in 2007).

Trade & Other Receivables

Trade and Other receivables include trade receivables, other receivables and accrued income, yet to be invoiced.

The Trust's maximum exposure to credit risk for trade receivables at the reporting date by business segment was:

	Carrying Amount	
	2008 \$000	2007 \$000
Tourism activities	213	272
Sponsorship	42	1,095
Venue Hire & related services	316	1,527
Commercial partners	179	429
Other	671	96
	1,421	3,419

Impairment Losses

The aging of the Trust's trade receivables at reporting date was:

	Total \$000	Not Impaired \$000	Considered Impaired \$000
2008			
Not past due	1,335	1,335	-
< 3 months past due	104	84	20
3-6 months past due	8	2	6
> 6 months past due	59	-	59
	1,506	1,421	85
2007			
Not past due	3,098	3,098	-
< 3 months past due	325	297	28
3-6 months past due	29	24	5
> 6 months past due	58	-	58
	3,510	3,419	91

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2008 \$000	2007 \$000
Balance at 1 July	(91)	(70)
Allowance for year	6	(21)
	(85)	(91)
Less: debts written off	-	-
Balance at 30 June	(85)	(91)

Based on historic default rates, the Trust believes that no impairment allowance is necessary in respect of trade receivables not past due.

The allowance account in respect of trade receivables is used to record impairment losses unless the Trust is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly.

(b) Liquidity Risk

The following are contractual maturities of financial liabilities:

	Carrying Amount \$000	Contractual cash flows \$000	6 months or less \$000
2008			
Non-derivative financial liabilities			
Trade and other payables	8,227	(8,227)	(8,227)
Derivative financial liabilities			
Forward exchange contracts used for hedging			
Outflow	(380)	(380)	(380)
Inflow	380	380	380
	8,227	(8,227)	(8,227)
2007			
Non-derivative financial liabilities			
Trade and other payables	9,220	(9,220)	(9,220)
	9,220	(9,220)	(9,220)

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur, and the effect on profit or loss.

	Carrying Amount \$000	Contractual cash flows \$000	6 months or less \$000
2008			
Foreign exchange contracts			
Assets	373	380	380
Liabilities	(380)	(380)	(380)
	(7)	-	-
2007 - not applicable			

(c) Market Risk

The Trust's exposure to market risk is primarily through currency risk on purchases that are denominated in a currency other than Australian Dollars and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities.

The Trust's exposure to interest rate risk (other than that impacting the TCorp Hour Glass Cash facility price, as set out below) is limited to cash at bank. The impact of a 1% change in interest rate for cash at bank is set out below:

	Change in Interest Rate	Impact on Profit/Loss	
		2008 \$000	2007 \$000
Cash at Bank	+/- 1%	42	18

Other price risk – TCorp Hour Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment Facilities, which are held for strategic rather than trading purposes. The Trust has no direct equity investments. The Trust holds units in the following Hour Glass investment trusts:

Facility	Investment sector & horizon	Change in Unit Price	Impact on Profit/Loss	
			2008 \$000	2007 \$000
Hour Glass Cash Facility	Cash, money instruments up to 1.5 yrs. (pre 30 June up to 2 yrs)	+/- 1%	315	575

There is no impact on equity in relation to the cash facility. The return on the Hour Glass cash facility for the year was 6.82% (6.41% in 2007).

(d) Currency Risk**Exposure to currency risk**

The Trust's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	Euro \$000	GBP \$000	USD \$000
2008			
Trade & other payables	280	22	13
Forward exchange contracts*	380	-	-
Net exposure	660	22	13
* The forward exchange contracts relate to future forecast payments in Euros.			
2007			
Trade & other payables	-	-	-
Forward exchange contracts*	-	-	-
Net exposure	-	-	-

Sensitivity analysis

A 10 percent strengthening of the Australian dollar against the following currencies at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2007.

	2008		2007	
	Equity \$000	Profit or loss \$000	Equity \$000	Profit or loss \$000
euro	(6)	25	-	-
GBP	-	2	-	-
USD	-	1	-	-

A 10 percent weakening of the Australian Dollar against the following currencies at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2007.

	2008		2007	
	Equity \$000	Profit or loss \$000	Equity \$000	Profit or loss \$000
Euro	7	(31)	-	-
GBP	-	(2)	-	-
USD	-	(1)	-	-

(e) Fair Value
Fair value versus carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of many of the financial instruments. The fair value of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	2008 Carrying Amount \$000	2008 Fair Value \$000	2007 Carrying Amount \$000	2007 Fair Value \$000
Trade & Other receivables	2,362	2,362	4,649	4,649
Cash & cash equivalents	75,303	75,303	104,945	104,945
Forward exchange contracts used for hedging:				
Assets	373	373	-	-
Liabilities	(380)	(380)	-	-
Trade & other payables	(8,227)	(8,227)	(9,220)	(9,220)
	69,431	69,431	100,374	100,374

17. TRUST FUNDS
(a) Annual Giving Program (Fundraising Appeal)

The Sydney Opera House Annual Giving Program was established to raise funds for the following activities:

- Outstanding Live Performance – Bringing the world's best performers to our stages
- Youth and Education Programs – Developing programs for young people and families
- Community and Access Projects – Ensuring accessible programs and price points for all our events
- Preservation and development – Maintaining Sydney Opera House as a World heritage Listed masterpiece of human creative genius.

Restricted gifts are also accepted in certain circumstances - generally when the gift is substantial and is given to fund a new initiative.

The Trust launched its Annual Giving Fund in March 2007. It is a perpetual fund.

Annual Giving Program

	Restricted		Unrestricted		Total	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Gross proceeds from fundraising appeals	141	138	395	336	536	474
Interest received on proceeds	5	-	12	2	17	2
Costs of fundraising	-	-	(308)	(94)	(308)	(94)
Net surplus from fundraising	146	138	99	244	245	382
Application of funds	(133)	(17)	(244)	-	(377)	(17)
Balance to/(from) accum. funds	13	121	(145)	244	(132)	365

The following ratios are provided in relation to the cost of fundraising:

	2008 \$000	2007 \$000
Cost of fundraising as a percentage of funds raised (excluding interest)	57%	20%
Net surplus as a percentage of funds raised (excluding interest)	43%	76%

The cost of fundraising as a percentage of funds raised (excluding interest) over the life to date of the fund is 39.8%.

(b) Foster Bequest

The Trust Deed relating to this bequest provides that income derived from investment of the funds may be applied to an award for study in fields relating to the training for, and performances of, the art of opera.

The transactions relating to the Foster Bequest included within the Sydney Opera House Trust's financial report were:

	2008 \$000	2007 \$000
Interest Income	8	5
Distribution	(5)	(5)
Surplus	3	-

(c) Sydney Opera House Appeal Fund

The Appeal Fund's objectives were:

- To appeal for and receive gifts of money or other property to be used in or towards the construction, beautification, improvement or furnishing of the Sydney Opera House or its environs; and
- To purchase or arrange for the construction of any musical instrument or other equipment of any nature whatsoever to be used in the Sydney Opera House or its environs; and
- To arrange for the acquisition of works of art or other such materials or equipment and to donate or assign the property together with any copyright and/ or rights of reproduction to the Sydney Opera House Trust; and
- To appeal for and receive gifts of money or other property for the production, presentation, publication, promotion, preservation or housing of, or training in any one or more of the following: literature, music, performing arts, visual arts, crafts, design, film, video, television, radio, community arts, Aboriginal arts or moveable cultural heritage.

The transactions of the Sydney Opera House Appeal Fund included with the Trust's financial report were:

	2008 \$000	2007 \$000
Interest Income	11	10
Distribution	-	-
Surplus	11	10

18. INTEREST IN JOINT VENTURES

The Trust holds an interest in a joint venture. The joint venture has the principal activity of operation of souvenir merchandise shops.

Name of Joint Venture	Ownership Interest	
	2008 \$000	2007 \$000
Sydney Opera House Retail Joint Venture	75%	75%

	2008 \$000	2007 \$000
Trust share of income	2,333	2,246
Trust share of expense	(1,726)	(1,542)
Trust share of profit	607	704

Movement in Investment in Joint Ventures

Carrying amount of investment at beginning of the financial year	221	221
Share of Profit	607	704
Distribution from joint venture entities	(494)	(576)
Undistributed profits as at year end	(113)	(128)
Carrying amount of investment at the end of the financial year	221	221

Share of Assets and Liabilities of Joint Venture Entities

Current Assets		
Cash	108	181
Prepayments	-	1
Inventory	524	574
Non-current Assets	12	15
Current Liabilities	(296)	(444)
Equity	(348)	(327)
Cash investment	221	221
Net Assets	221	221

Inventories are stated at the lower of cost and net realisable value. The cost is calculated using the first-in-first-out basis.

19. MOVEMENTS IN EQUITY

Changes in accumulated funds

	2008 \$000	2007 \$000
Balance 1 July	264,128	243,960
(Deficit)/Surplus	(19,643)	20,168
Balance 30 June	244,485	264,128

The unspent balance of the Annual Giving Program (refer note 17(a)) was \$233k of which \$134k is restricted to specific objectives. The unspent balance of the Foster Bequest (refer note 17(b)) was \$116k (\$110k for 2007) and the unspent balance of the Sydney Opera House Appeal Fund (refer note 17(c)) was \$168k (\$158k for 2007).

Changes in Asset Revaluation and Hedge Reserve

	Asset Revaluation Reserve		Hedge Reserve		Total	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Balance 1 July	1,650,158	1,650,158	-	63	1,650,158	1,650,221
Hedge Reserve	-	-	(7)	(63)	(7)	(63)
Balance 30 June	1,650,158	1,650,158	(7)	-	1,650,150	1,650,158

The Hedge Reserve represents the unrealised gains/(losses) on forward foreign exchange contracts. The Revaluation Reserve represents gains/(losses) arising on the revaluation of property, plant and equipment.

20. COMMITMENTS

(a) Other expenditure commitments

Goods and services contracted for at 30 June but not recognised as liabilities is as follows:

	2008 \$000	2007 \$000
Payable:		
Within one year	11,053	9,468
Later than one year and not later than five years	5,801	475
Later than five years	-	-
Total including GST	16,854	9,943

Goods and services contracted for at year end are of a general business nature. The commitments include input tax credits of \$1,525,318 recoverable from the Australian Taxation Office (\$887,140 for 2007).

(b) Capital commitments

Capital expenditures contracted for at 30 June but not recognised as liabilities is as follows:

	2008 \$000	2007 \$000
Payable:		
Within one year	15,167	4,442
Later than one year and not later than five years	2,396	3,316
Later than five years	-	-
Total including GST	17,563	7,758

Capital commitments contracted for at year end relate to building development projects. The commitments include input tax credits of \$1,566,699 recoverable from the Australian Taxation Office (\$641,739 for 2007).

(c) Leases

Leases contracted for at 30 June but not recognised as liabilities is as follows:

	2008 \$000	2007 \$000
Payable:		
Within one year	758	1,046
Later than one year and not later than five years	1,745	2,816
Later than five years	-	-
Total including GST	2,503	3,862

The commitments include input tax credits of \$227,530 recoverable from the Australian Taxation Office (\$351,124 for 2007).

21. CONTINGENT LIABILITIES

There are no contingent liabilities. (Nil at 30 June 2007).

22. CONTRIBUTION OF ASSETS RECEIVED AT NO COST OR AT NOMINAL COST

The Trust received the following asset contributions:

	2008 \$000	2007 \$000
Fixed Assets	-	269

23. PAYMENTS TO CONSULTANTS

In the year ending 30 June 2008, consultants were paid a total of \$424k (\$1,015k in 2007).

24. AFTER BALANCE DATE EVENTS

There are no after balance date events. (Nil at 30 June 2007).

25. NOTES TO THE STATEMENT OF CASH FLOWS
Reconciliation of surplus of net cash flows from ordinary activities

	2008 \$000	2007 \$000
Deficit/Surplus	(19,643)	20,168
Depreciation, amortisation and make good	17,801	18,461
Capital-sponsorship & in-kind donations	(355)	(714)
Net loss on sale of plant and equipment	191	180
(Decrease)/increase in allowance for impairment of receivables	(6)	21
(Decrease)/increase in payables	(594)	(1,630)
(Increase)/decrease in receivables	113	(953)
(Increase) in inventories	(29)	(64)
Net cash from operating activities	(2,522)	35,469

END OF AUDITED FINANCIAL REPORT

BUDGET

FIRST DETAILED BUDGET FOR THE YEAR ENDING 30 JUNE 2008

INCOME	\$000	
Theatre services	11,025	
Venue rentals	8,819	
Production revenue	11,776	
Guided tours	7,371	
Booking fees & charges	3,762	
Outsourced Food & Beverage	4,077	
Tourism packages and events	858	
Miscellaneous revenue	855	
Outsourced Merchandising, licensing & retail	325	
Investment Revenue	3,876	
In-kind sponsorship	540	
Cash sponsorship	4,774	
Total from operations	58,059	
Government grants		
Annual endowment	14,274	
Strategic Asset Maintenance	23,039	
Venue Improvement Programme	0	
Smoke Mgt Upgrade	0	
Total government grants	37,313	
Total	95,372	
EXPENDITURE	\$000	\$000
Personnel Services	43,202	
Less charged to maintenance	5,076	
Sub total Personnel Services	38,125	
Maintenance	19,392	
Artist Fees and presentation expenses	11,392	
Fees for services rendered	3,085	
Publicity and advertising	4,960	
Utilities and cleaning	3,747	
Administration expenses	3,398	
Consumables and minor equipment	1,205	
Tourism packages and events	923	
Building and general insurance	1,117	
Bank and credit card charges	547	
Training	421	
Rent payments on operating leases	980	
Audit fee – audit of financial report	60	
Total	88,989	
Surplus before Depreciation	6,382	
Depreciation and amortisation	19,838	
Deficit after Depreciation	(13,456)	
Share of net profits from joint venture	866	
Deficit from Ordinary Activities	(12,590)	

OUTLINE BUDGET FOR THE YEAR ENDING 30 JUNE 2009

INCOME	\$000
Revenue from operations	
Sale of goods and services	48,868
Investment Revenue	3,876
Other revenue	5,314
Sub total (excl Joint Venture)	58,059
Government grants	
Annual Endowment	14,406
Strategic Asset Maintenance	30,428
Sub total	44,834
Total	109,817
EXPENDITURE	\$000
Personnel Services	44,181
Less charged to maintenance	5,801
Sub total Personnel Services	38,380
Other Expenses	39,396
Maintenance	20,205
Total	97,980
Surplus before Depreciation	11,837
Depreciation and amortisation	16,859
Surplus after Depreciation	(5,022)
Share of net profits from joint venture	836
Surplus from Ordinary Activities	(4,185)