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# OUR FINANCIALS

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Queensland Symphony Orchestra Holdings Ltd  
and controlled entities

A.B.N. 55 122 464 706

Annual Financial Statements  
31 December 2020

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The Directors present their report together with the financial statements of Queensland Symphony Orchestra Holdings Ltd (the Company) for the year ended 31 December 2020 and the Auditor's report thereon. The financial statements are for the consolidated economic entity (the Group) comprising Queensland Symphony Orchestra Holdings Ltd and two controlled entities, Queensland Symphony Orchestra Pty Ltd and Internet Classics Pty Ltd. The Directors of the Company during the 2020 financial year were:

Chris Freeman	Chair of the Board
Rod Pilbeam	Deputy Chair of the Board and Chair of the Human Resources and Remuneration Committee
John Keep	Board member
Tony Keane	Chair of the Finance Audit and Risk Management Committee
Tony Denholder	Board member
Margaret Barrett	Board member
Mary Jane Bellotti	Board member
Emma Covacevich	Board member
Simon Gallaher	Board member
Valmay Hill	Board member

The Directors were in office for the whole year or from their date of appointment, up to the date of the financial report, or up to the date of their resignation.

#### BOARD AND COMMITTEE MEETINGS

The number of board and committee meetings held and attended by directors is shown below.

Directors	Queensland Symphony Orchestra Holdings Ltd		Queensland Symphony Orchestra Pty Ltd					
	Board		Board		Finance Audit and Risk Committee		HR & Remuneration Committee	
	A	B	A	B	A	B	A	B
C Freeman	2	2	10	10	6	6	4	4
R Pilbeam	2	2	10	9	6	5	4	4
J Keep	2	2	10	9	6	6	4	2
T Keane	2	2	10	10	6	6	0	0
T Denholder	2	2	10	10	0	0	4	4
M Barrett	2	1	10	7	0	0	0	0
MJ Bellotti	2	2	10	10	0	0	0	0
E Covacevich	2	2	10	8	0	0	4	3
S Gallaher	2	2	10	7	0	0	0	0
V Hill	2	1	10	9	6	6	0	0

(A) number of meetings for which the Director was eligible to attend

(B) number of meetings attended by the Director

#### PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the performance of orchestral music, education and community outreach activities. There were no significant changes in the nature of the activities of the Group during the year.

#### REVIEW AND RESULTS OF OPERATIONS

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and had a significant impact on the Group's operations during the course of 2020 with the cancellation of a number of performances. The Company presented 82 performances during the twelve months ended 31 December 2020 compared to 163 in the prior year. The majority of the Company's concerts were held in the Queensland Performing Arts Centre Concert Hall.

Due to the adverse impact the COVID-19 pandemic had on its operations, the Group applied and received government assistance during the reporting period. Government grants were received in the form of financial support provided by the Federal Government under the JobKeeper wage subsidy scheme and cash flow boost. Those government subsidies have been recognised as other income.

The net surplus for the year ended 31 December 2020 was \$3,965,312. The surplus in the comparative year ended 31 December 2019 was \$439,166.

#### STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the underlying state of affairs of the Group that occurred during the financial year. The Group has scheduled performances of orchestral music which it will continue to present during the 2021 financial year. The Group's ultimate financial viability is dependent on maintaining its current level of state and federal government funding, donations, corporate sponsorship, commercial hire and ticket sales.

#### DIVIDENDS

No dividends were paid or proposed during the financial year ended 31 December 2020.

#### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Since the end of the previous financial year the Group has not indemnified nor made a relevant agreement for indemnifying against a liability arising against any person who is or has been a director or officer of the Group.

During the financial year ended 31 December 2020, the Group paid insurance premiums for directors' and officers' liability. Subsequent to the end of the financial year, the Group has paid premiums in respect of such insurance contracts for the year ending 31 December 2021. Such insurance contracts insure persons who are or have been directors or officers of the Group against certain liabilities (subject to policy exclusions). The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

#### INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during the year ended 31 December 2020.

#### AUDITOR'S INDEPENDENCE

The Directors have received a declaration of independence from the Auditors at page 22 of the financial statements.

#### EVENTS SUBSEQUENT TO BALANCE DATE

The JobKeeper wage subsidy ceased on 31 March 2021. No other events have occurred subsequent to balance date that materially affect the accounts and are not already reflected in the financial statements.

This report is signed in accordance with a resolution of the Directors on 27 April 2021.



Chris Freeman AM  
Chair  
Brisbane

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
**Statement of comprehensive income for the year ended 31 December 2020**

	Notes	Consolidated 2020 \$	Consolidated 2019 \$
<b>REVENUE</b>			
Funding revenue	5	11,573,666	11,427,408
Ticket sales	6	1,373,803	3,504,800
Sponsorship, donations and membership revenue	7	1,654,173	1,638,348
Orchestral hire and fees		523,671	1,338,353
Other income	8	4,076,137	316,022
<b>Total revenue</b>		<b>19,201,450</b>	<b>18,224,931</b>
<b>EXPENSES</b>			
Employee expenses	9b	11,917,434	12,428,030
Guest artists fees and expenses		288,047	857,442
Travel expenses		130,280	478,637
Marketing expenses		380,589	595,190
Production expenses		464,709	1,170,087
Service fees		36,816	238,741
Depreciation and amortisation	9a	535,506	507,133
Other expenses		1,482,757	1,510,505
<b>Total expenses</b>		<b>15,236,138</b>	<b>17,785,765</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>3,965,312</b>	<b>439,166</b>

The Statement of comprehensive income should be read in conjunction with the notes on pages 8 to 20

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
**Statement of financial position as at 31 December 2020**

	Notes	Consolidated 2020 \$	Consolidated 2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalent	18	1,548,313	778,281
Trade and other receivables	12	74,093	908,618
Other	13	11,379,352	8,255,884
<b>Total current assets</b>		<b>13,001,758</b>	<b>9,942,783</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	448,514	538,078
Southbank lease premium	11	11,384,110	11,734,110
<b>Total non-current assets</b>		<b>11,832,624</b>	<b>12,272,188</b>
<b>TOTAL ASSETS</b>		<b>24,834,382</b>	<b>22,214,971</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	899,515	1,446,762
Deferred revenue	16	1,819,179	2,414,122
Provisions	17	2,071,872	2,477,568
<b>Total current liabilities</b>		<b>4,790,566</b>	<b>6,338,452</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred revenue	16	178,000	178,000
Provisions	17	602,432	400,447
<b>Total non-current liabilities</b>		<b>780,432</b>	<b>578,447</b>
<b>TOTAL LIABILITIES</b>		<b>5,570,998</b>	<b>6,916,899</b>
<b>NET ASSETS</b>		<b>19,263,384</b>	<b>15,298,072</b>
<b>EQUITY</b>			
Reserves		1,550,119	1,550,119
Retained Earnings Southbank Building	11	11,384,110	11,734,110
Retained Earnings		6,329,155	2,013,843
<b>Total Equity</b>		<b>19,263,384</b>	<b>15,298,072</b>

The Statement of financial position should be read in conjunction with the notes on pages 8 to 20

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Statement of changes in equity for the year ended 31 December 2020

	Retained Earnings	Retained Earnings Southbank	Reserve Incentive	Artistic Reserve	Education Reserve	Touring Reserve	Other Reserve	Total Equity
<b>As at 1 January 2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net surplus for the year	2,013,843	11,734,110	1,251,000	84,500	126,619	-	88,000	15,298,072
Transfer(from)to Artistic Reserve	3,965,312	-	-	-	-	-	-	3,965,312
Transfer(from)to Education Reserve	-	-	-	-	-	-	-	-
Transfer(from)to Touring Reserve	-	-	-	-	-	-	-	-
Transfer(from)to Instrument Reserve	-	-	-	-	-	-	-	-
Transfer(from)to Other Reserve	-	-	-	-	-	-	-	-
Lease Amortisation	350,000	(350,000)	-	-	-	-	-	-
<b>As at 31 December 2020</b>	<b>6,329,155</b>	<b>11,384,110</b>	<b>1,251,000</b>	<b>84,500</b>	<b>126,619</b>	<b>-</b>	<b>88,000</b>	<b>19,263,384</b>

	Retained Earnings	Retained Earnings Southbank	Reserve Incentive	Artistic Reserve	Education Reserve	Touring Reserve	Other Reserve	Total Equity
<b>As at 1 January 2019</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net surplus for the year	1,224,677	12,084,110	1,251,000	84,500	126,619	-	88,000	14,858,906
Transfer(from)to Artistic Reserve	439,166	-	-	-	-	-	-	439,166
Transfer(from)to Education Reserve	-	-	-	-	-	-	-	-
Transfer(from)to Touring Reserve	-	-	-	-	-	-	-	-
Transfer(from)to Instrument Reserve	-	-	-	-	-	-	-	-
Lease Amortisation	350,000	(350,000)	-	-	-	-	-	-
<b>As at 31 December 2019</b>	<b>2,013,843</b>	<b>11,734,110</b>	<b>1,251,000</b>	<b>84,500</b>	<b>126,619</b>	<b>-</b>	<b>88,000</b>	<b>15,298,072</b>

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements on pages 8 to 20

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**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Cash flow statement for the year ended 31 December 2020

	Notes	Consolidated 2020	Consolidated 2019
		\$	\$
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		3,925,727	5,975,343
Cash payments in the course of operations		(15,451,570)	(17,182,118)
Grants received from funding bodies		12,037,872	11,427,408
Cash received from Government subsidies		3,434,800	-
Interest received		93,897	183,297
<b>Net cash provided/(used) in operating activities</b>	18b	<b>4,040,726</b>	<b>403,930</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Payments to term deposits		(3,177,555)	(1,586,811)
Payments for property, plant and equipment		(93,139)	(133,222)
<b>Net cash provided/(used) in investing activities</b>		<b>(3,270,694)</b>	<b>(1,720,033)</b>
<b>Net increase/(decrease) in cash held</b>		<b>770,032</b>	<b>(1,316,103)</b>
Cash and cash equivalents beginning of year		778,281	2,094,384
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	18a	<b>1,548,313</b>	<b>778,281</b>

The Cash flow statement should be read in conjunction with the notes to the financial statements on pages 8 to 20

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## 1. CORPORATE INFORMATION

The financial statements for the Group for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 27 April 2021.

Queensland Symphony Orchestra Holdings Ltd (the parent) is a public company limited by guarantee, incorporated and domiciled in Australia. The address of the registered office is 114 Grey Street, South Brisbane QLD, 4101. The nature of the operations and principal activity of the Group are described in the Directors' report.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements are a general-purpose financial report prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act) and the Australian Accounting Standards – Reduced Disclosure Reporting (AAS-RDR) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The Group prepares its accounts on a historic cost basis except where stated and does not take into account changing money values or market values of non-current assets.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

### Statement of compliance

The Group is a not-for-profit entity and has elected to present to its users Tier 2 General Purpose Financial Statements prepared in accordance with the AAS-RDR (including Australian Interpretations adopted by the AASB).

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

### New and Amended Standards and Interpretations:

The Group has adopted all new accounting standards and interpretations that were applicable for the year ended 31 December 2020.

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

In respect of future years, the Group is in the process of assessing the impact of certain Australian Accounting Standards and Interpretations which have recently been issued or amended but are not yet effective and have not been adopted by the group for the year ended 31 December 2020. The group intends to adopt these new accounting standards and interpretations when they become effective.

### Financial risk management

The accounting policies are consistent with those of the previous financial year. The Group's principal financial instruments comprise cash and short-term deposits, receivables and payables. The Group manages its exposure to key financial risks, including interest rate and foreign currency in accordance with its Board approved Risk Management Policy.

### Going Concern

The ability of the Group to maintain its operations is dependent on the continuing support of Federal and State Government bodies, by way of Grant funding. Queensland Symphony Orchestra Holdings Ltd entered into a Tripartite Funding Agreement for a three-year period commencing 1 January 2019 and ending 31 December 2021, under which funding is provided to the Group for the operation of the orchestra.

At 31 December 2020 the Group recorded a surplus of \$3,965,312 and was in a current net asset position of \$8,211,192. Total assets exceeded total liabilities by \$19,263,384 (2019 \$15,298,072) and the financial statements have been prepared on a going concern basis.

### 2.2 Basis of Consolidation

The consolidated financial statements consist of the financial statements of Queensland Symphony Orchestra Holdings Ltd and its subsidiaries as at 31 December 2020.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

### 2.3 Summary of Significant Accounting Policies used by the Group

#### a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of Goods and Services Tax (GST). Revenue is recognised in the financial statements for the major business activities as follows:

##### i. Concert Revenue

Concert revenue is recognised at the time of the concert performance.

##### ii. Funding Revenue

Funding revenue is received from the Australia Council for the Arts (as represented by the National Performing Art Partnership Framework) and Arts Queensland under the terms of the Tripartite Funding Agreement. This agreement was renewed in 2019 for a term of three years, ending 31 December 2021.

Special purpose funding is received from public and private grant applications and requires the Company to fulfil an obligation outside its normal operations. This revenue is recognised at the time the obligation is fulfilled or conditions contained in the agreement are met and the entity becomes eligible for the funding. If funding is provided ahead of the primary obligations and conditions being fulfilled, the funding is treated as deferred and carried as Deferred Revenue in the Statement of Financial Position until the conditions are satisfied.

##### iii. Contribution Income

Contribution income represents the fair value of assets received in excess of the cost of the assets where there is a non-reciprocal transfer and is recognised as income once the asset is recorded in the Statement of Financial Position and controlled by the Company.

**iv. Interest Revenue**

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**v. Donations**

Donations are recognised as revenue when they are received. In very limited circumstances recognition of revenue associated with donations may be deferred where the arrangements for these donations are enforceable, promises of the contracts are sufficiently specific to enable determination of timing of recognition of revenue and goods or services will be transferred to the donor or other parties.

**vi. Sponsorship Revenue**

Sponsorship commitments are brought to account as income in the year in which sponsorship benefits are provided.

**b) Taxation and Goods and Services Tax**

The Group is exempt from income tax, capital gains tax and payroll tax by virtue of being a cultural organisation established for the encouragement of music and a charitable institution.

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of the cash flow arising from the investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**c) Acquisition of Assets**

Acquired assets are accounted for at cost. Cost is measured as the fair value of assets given or liabilities incurred or assumed at the date of exchange plus cost directly attributable to the acquisition.

**d) Cash and cash equivalents**

Cash and cash equivalents are carried at face value of the amounts deposited or drawn. The carrying amounts of cash, short-term deposits and bank overdrafts approximate net fair value. Interest revenue is accrued at the market or contracted rates and is receivable on maturity of the short-term deposits.

**e) Trade receivables**

Trade receivables are carried at original invoice amount less an allowance for any uncollectable amounts. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

**f) Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

**g) Depreciation and amortisation**

Items of plant and equipment, leasehold improvements, computer equipment, production equipment and musical instruments are depreciated using the straight-line method over their estimated useful lives.

Each class of asset in the current year was depreciated over the following useful lives:

Asset class	Useful life
Office equipment	Between 3 and 10 years
Musical instruments	Between 5 and 10 years
Production equipment	Between 5 and 10 years
Computer equipment	Between 3 and 5 years
Furniture, fixtures and fittings	10 years

Costs incurred on property, plant and equipment, which does not meet the criteria for capitalisation, are expensed as incurred.

**h) Leased plant and equipment**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Aside from the Southbank lease as disclosed in note i) below, all the Group's leases consist of short-term leases and leases of low value assets or leases that are not considered material. The Group applies the short-term lease exemption to its short-term leases of plant and equipment (i.e. those leases that have a term of 12 months or less from commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment or equipment that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

**i) Southbank lease premium**

Queensland Symphony Orchestra Pty Ltd has entered into a contract to occupy premises in Southbank. The Company is required to pay a lease premium amount. The arrangement also includes the rights to use furniture and fittings.

The Southbank lease premium is considered an intangible asset. The arrangement includes upfront, non-regular payments and a termination clause.



Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The Southbank lease premium is amortised over the contract period, being 40 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

**j) Impairment**

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. Impairment losses are recognised in the statement of comprehensive income.

**k) Trade payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. Trade accounts payable are normally settled within 30 days.

The carrying value of accounts payable approximates net fair value.

**l) Employee benefits**

***Wages, Salaries and Annual Leave***

The accruals and provisions for employee benefits for wages, salaries and annual leave represent the amount which the Group has a present obligation to pay resulting from employees' services provided up to the balance date. The accruals and provisions have been calculated at undiscounted amounts based on wage and salary rates which are expected to be paid when the liability is settled and include related on-costs.

***Long Service Leave***

The liability of employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Liabilities for employee benefits which are not expected to be settled within twelve months are discounted using the rates attaching to Commonwealth Government securities at balance date which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee benefits, consideration is given to future increases in wage and salary rates and the Group's experience with staff departures. Related on-costs are included in the liability.

***Superannuation Plans***

The Group contributes to several defined contribution superannuation plans. Employer contributions in relation to the year ended 31 December 2020 have been expensed against income.

**m) Reserves**

Donation or sponsorship revenue received without restrictions will be recognised as revenue when received. Donation or sponsorship revenue with restrictions or stipulations regarding their use is recognised as revenue when the asset transferred is controlled by the Company. Refer to note 2.3 (a) for details of revenue recognition policies. For revenue with certain restrictions where revenue has been recognised in advance of the associated cost to be incurred, reserves are created to disclose the timing and utilisation of such revenue.

**n) Changes in accounting policies**

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

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The following critical accounting policies have been identified for which significant judgements, estimates and assumptions are made.

***Impairment of non-financial assets***

The Group assesses impairment of its non-financial assets at each reporting date by evaluating conditions specific to the Group and to the specific asset. If an impairment trigger exists, the recoverable amount of the asset is determined. Management do not consider there to be any external or internal triggers of impairment during the financial year ended 31 December 2020.

***Estimate of useful lives***

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

***Timing of recognition of sponsorship and donation revenue***

The estimation of timing of recognition of revenue from certain agreements with donors may from time to time result in the deferral of revenue.

#### 4. PARENT ENTITY AND CHARITABLE STATUS OF SUBSIDIARIES

The consolidated financial statements of Queensland Symphony Orchestra Holdings Ltd at 31 December 2020 include the parent Company's wholly owned subsidiaries, Queensland Symphony Orchestra Pty Ltd, a registered charity with the Australian Charities and Not-for-Profits Commission (ACNC), and Internet Classics Pty Ltd which is not ACNC registered. Both entities are incorporated in Australia and have the same reporting date as that of the parent entity. During the year, Queensland Symphony Orchestra Holdings Ltd granted no grant funding to its subsidiaries and the net surplus for the period was nil; subsequently the financial information relating to the non-registered entity Internet Classics Pty Ltd is immaterial for the ACNC reporting group overall. In 2020, all funding was paid directly to Queensland Symphony Orchestra Pty Ltd.

#### 5. FUNDING REVENUE

	Consolidated 2020 \$	Consolidated 2019 \$
Australia Council for the Arts - Annual grant	8,119,337	7,991,474
Australia Council for the Arts - Dedicated grants	-	-
Arts Queensland - Annual grant	3,216,908	3,166,244
Arts Queensland - Dedicated grants	3,421	70,690
Local Council grants	40,000	35,000
Grants dedicated non-government	194,000	164,000
<b>Total funding revenue</b>	<b>11,573,666</b>	<b>11,427,408</b>

#### Economic Dependency

A significant portion of the Group's annual revenue consists of funding from federal and state governments, through the Australia Council for the Arts and Arts Queensland. As a result, the Group has an economic dependency on these entities. The current funding agreement is for a period of three years which commenced on 1 January 2019, running through until 31 December 2021.

#### 6. TICKET SALES REVENUE

	Consolidated 2020 \$	Consolidated 2019 \$
Subscription sales	404,867	1,435,627
Single ticket sales	968,936	2,069,173
<b>Total ticket sales revenue</b>	<b>1,373,803</b>	<b>3,504,800</b>

#### 7. SPONSORSHIP, DONATIONS AND MEMBERSHIP

	Consolidated 2020 \$	Consolidated 2019 \$
Sponsorship	512,485	685,551
Donations	1,141,688	952,797
Membership	-	-
<b>Total sponsorship, donations and membership</b>	<b>1,654,173</b>	<b>1,638,348</b>

#### 8. OTHER INCOME

	Consolidated 2020 \$	Consolidated 2019 \$
<b>From operating activities</b>		
Interest income	93,897	183,297
<b>From other operating activities</b>		
Government subsidies	3,896,500	-
Other	85,740	132,725
<b>Total other income</b>	<b>4,076,137</b>	<b>316,022</b>

#### 9. EXPENSES

	Consolidated 2020 \$	Consolidated 2019 \$
<b>a) Depreciation and amortisation</b>		
Musical instruments	36,884	46,322
Production equipment	17,507	10,517
Office equipment	4,340	2,213
Furniture, fixtures and fittings	64,254	60,736
Computer equipment	62,521	37,345
Lease amortisation	350,000	350,000
<b>Total depreciation and amortisation expenses</b>	<b>535,506</b>	<b>507,133</b>
<b>b) Employee expenses</b>		
Remuneration and related	10,284,771	10,752,577
Superannuation	1,280,821	1,362,885
Workers compensation	351,842	312,568
<b>Total employee expenses</b>	<b>11,917,434</b>	<b>12,428,030</b>

#### 10. INCOME TAX

Queensland Symphony Orchestra Pty Ltd is exempt from income tax, capital gains tax and payroll tax by virtue of being a cultural organisation and a charitable institution, established for the encouragement of music.

**Queensland Symphony Orchestra Holdings Ltd**  
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Notes to the financial statements

**11. INTANGIBLE ASSETS**

	Consolidated 2020 \$	Consolidated 2019 \$
At 1 January, net of accumulated amortisation	11,734,110	12,084,110
Additions	-	-
Amortisation charge for the year	(350,000)	(350,000)
<b>At 31 December, net of accumulated amortisation and impairment</b>	<b>11,384,110</b>	<b>11,734,110</b>
At 31 December cost or fair value	14,000,000	14,000,000
Accumulated Amortisation	(2,615,890)	(2,265,890)
<b>Cost or fair value carried forward</b>	<b>11,384,110</b>	<b>11,734,110</b>

**12. TRADE AND OTHER RECEIVABLES**

	Consolidated 2020 \$	Consolidated 2019 \$
<b>Current</b>		
Trade debtors	74,093	908,618
Other debtors	-	-
Provision for doubtful debt	-	-
<b>Total current trade and other receivables</b>	<b>74,093</b>	<b>908,618</b>

**13. OTHER CURRENT ASSETS**

	Consolidated 2020 \$	Consolidated 2019 \$
Prepayments	287,552	338,816
Accrued income	461,700	-
Term Deposit Divestment Fund	31,669	31,669
Term Deposit Reserve Incentive Scheme	1,251,000	1,251,000
Term Deposit Temporarily Restricted Donations	477,119	477,119
Term Deposit other cash	8,870,312	6,157,280
<b>Total other current assets</b>	<b>11,379,352</b>	<b>8,255,884</b>

The Reserve Incentive Scheme funds including the Company's contribution and the Divestment fund are held in escrow and subject to the terms and conditions of the agreements and have not been used to secure any liabilities of the Company.

**Queensland Symphony Orchestra Holdings Ltd**  
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**14. PROPERTY, PLANT AND EQUIPMENT**

	Musical Instruments	Production Equipment	Office Equipment	Computer Equipment	Furniture and Fittings	Total
<b>Cost</b>						
Opening Balance	870,530	197,906	53,113	367,654	607,315	2,096,518
Additions	-	53,854	5,933	30,610	5,544	95,941
Disposals	(14,200)	-	-	-	-	(14,199)
<b>Closing Balance</b>	<b>856,330</b>	<b>251,760</b>	<b>59,046</b>	<b>398,264</b>	<b>612,859</b>	<b>2,178,260</b>

	Musical Instruments	Production Equipment	Office Equipment	Computer Equipment	Furniture and Fittings	Total
<b>Accumulated Depreciation</b>						
Opening Balance	(731,874)	(142,480)	(47,935)	(229,710)	(406,441)	(1,558,440)
Dep'n expense	(36,884)	(17,507)	(4,340)	(62,521)	(64,254)	(185,506)
Disposals	14,200	-	-	-	-	14,200
<b>Closing Balance</b>	<b>(754,558)</b>	<b>(159,987)</b>	<b>(52,275)</b>	<b>(292,231)</b>	<b>(470,695)</b>	<b>(1,729,746)</b>

<b>Net Book Value</b>						
<b>31 December 2019</b>	<b>138,656</b>	<b>55,426</b>	<b>5,178</b>	<b>137,944</b>	<b>200,874</b>	<b>538,078</b>

<b>Net Book Value</b>						
<b>31 December 2020</b>	<b>101,773</b>	<b>91,773</b>	<b>6,771</b>	<b>106,033</b>	<b>142,164</b>	<b>448,514</b>

**15. TRADE AND OTHER PAYABLES**

	Consolidated 2020 \$	Consolidated 2019 \$
<b>Current</b>		
Trade creditors	858,535	1,366,975
Other creditors and accruals	40,980	79,787
Southbank lease premium payable	-	-
<b>Total current trade and other payables</b>	<b>899,515</b>	<b>1,446,762</b>

**16. DEFERRED REVENUE**

	Consolidated 2020 \$	Consolidated 2019 \$
<b>Current</b>		
Deferred revenue	1,819,179	2,414,122
<b>Non-current</b>		
Deferred revenue	178,000	178,000

**Queensland Symphony Orchestra Holdings Ltd**  
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**Notes to the financial statements**

**17. PROVISIONS**

	Consolidated 2020 \$	Consolidated 2019 \$
<b>Current</b>		
Employee entitlements	2,071,872	2,477,568
<b>Non current</b>		
Employee entitlements	602,432	400,447

**18. CASH FLOW STATEMENT**

**(a) Reconciliation of cash**

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the period as shown in the cash flow statement are as follows:

	Consolidated 2020 \$	Consolidated 2019 \$
Cash at bank	1,506,609	736,577
Sampson Library	41,704	41,704
<b>Total cash (excluding term deposits)</b>	<b>1,548,313</b>	<b>778,281</b>

**(b) Reconciliation of profit from ordinary activities to net cash (used in)/provided by operating activities**

	Consolidated 2020 \$	Consolidated 2019 \$
Profit/(Loss) from ordinary activities	3,965,312	439,166
<i>Add/(deduct) non- cash items</i>		
Amortisation	350,000	350,000
Charges to provisions	(203,691)	79,557
Depreciation	185,506	157,133
<b>Net cash (used in)/provided by operating activities before change in assets and liabilities</b>	<b>4,297,127</b>	<b>1,025,856</b>
Changes in assets and liabilities		
(Increase)/decrease in receivables	834,525	(784,440)
(Increase)/decrease in other assets	51,264	(19,413)
Increase/(decrease) in accounts payable	(547,247)	16,957
Increase/(decrease) in deferred revenue	(594,943)	164,970
<b>Net cash provided by operating activities</b>	<b>4,040,726</b>	<b>403,930</b>

**Queensland Symphony Orchestra Holdings Ltd**  
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**Notes to the financial statements**

**19. AUDIT FEES**

	Consolidated 2020 \$	Consolidated 2019 \$
Audit of the financial statements	30,000	30,000
<b>Total audit fees</b>	<b>30,000</b>	<b>30,000</b>

No other benefits were received by the Auditors.

**20. SEGMENT INFORMATION**

For current and previous periods the Group has performed orchestral music predominantly within Queensland.

**21. COMMITMENTS AND CONTINGENCIES**

	Consolidated 2020 \$	Consolidated 2019 \$
<b>a) Operating lease (non-cancellable)</b>		
Not later than one year	13,880	14,050
Later than one year and not later than five years	15,037	28,918
Later than five years	-	-
<b>Total</b>	<b>28,917</b>	<b>42,968</b>

**b) Artist fees**

	Consolidated 2020 \$	Consolidated 2019 \$
Not later than one year	578,656	1,074,717
Later than one year and not later than five years	427,050	-
Later than five years	-	-
<b>Total</b>	<b>1,005,706</b>	<b>1,074,717</b>

**c) Venue hire**

	Consolidated 2020 \$	Consolidated 2019 \$
Not later than one year	40,509	80,145
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total</b>	<b>40,509</b>	<b>80,145</b>

## 22. DIRECTORS AND EXECUTIVE DISCLOSURES

### a) Details of key management personnel

The names of each person holding the position of a director of the Company during the financial year are listed on page 1 in the Directors' Report. Unless otherwise stated in the Directors' Report, the Directors have been in office for the financial period. The Directors' positions are honorary and they do not receive remuneration for their role as directors of the Company.

### b) Compensation of key management personnel

	Consolidated 2020 \$	Consolidated 2019 \$
	1,142,979	1,016,907
<b>Total compensation</b>	<b>1,142,979</b>	<b>1,016,907</b>

Key management personnel comprise board appointed personnel and other persons having the responsibilities for planning, directing and controlling the major activities of the Company.

## 23. RELATED PARTIES

Mr Craig Whitehead, Chief Executive of the Group for the period January to December, was a director of Symphony Services Australia Limited during the financial year. Mr Whitehead was delegate of the Group in his role as director. Transactions between the Group and entities in which the Directors have declared an interest, are, unless otherwise stated, transacted under normal terms and conditions. There were no contracts involving the Directors' interests subsisting at period end excepting sponsorship agreements under normal terms and conditions of business. Sponsorship from director-related entities is on terms and conditions no more favourable than those offered to other sponsors. During the year, the Directors also donated funds to the Group through various philanthropy initiatives undertaken by the Group.

## 24. SUBSEQUENT EVENTS

The JobKeeper wage subsidy ceased on 31 March 2021. No other events have occurred subsequent to balance date that materially affect the accounts and are not already reflected in the financial statements.

## Directors' declaration

In accordance with a resolution of the Directors of Queensland Symphony Orchestra Holdings Ltd and its controlled entities, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Company are in accordance with the *Australian Charities and Not for Profit Commission Act 2012*; including
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not for Profit Commission Regulation 2013*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Chris Freeman AM  
Chair

Brisbane 27 April 2021



## Independent Auditor's Report to the Members of Queensland Symphony Orchestra Holdings Ltd

### Opinion

We have audited the financial report of Queensland Symphony Orchestra Holdings Ltd (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the year ended on that date; and
- Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the Directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

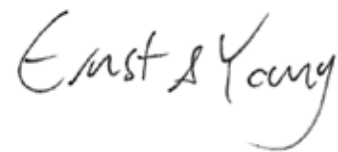
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



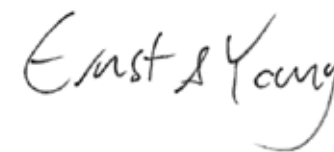
Ernst & Young



Tom du Preez  
Partner  
Brisbane  
27 April 2021

## Auditor's Independence Declaration to the Directors of Queensland Symphony Orchestra Holdings Ltd

In relation to our audit of the financial report of Queensland Symphony Orchestra Holdings Ltd for the financial year ended 31 December 2020, and in accordance with the requirements of Subdivision 60 C of the Australian Charities and Not for profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.



Ernst & Young



Tom du Preez  
Partner  
27 April 2021



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