

Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706

**Annual Financial Report
31 December 2014**

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Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706

Directors' report for the year ended 31 December 2014

The directors present their report together with the financial report of Queensland Symphony Orchestra Holdings Ltd (the Company) for the year ended 31 December 2014 and the auditor's report thereon. The financial report represents the consolidated economic entity (the Group) comprising Queensland Symphony Orchestra Holdings Ltd and its controlled entity Queensland Symphony Orchestra Pty Ltd.

DIRECTORS

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

G K Wanchap	Chairman
J Keep	Chairman of Finance and Audit Committee
T Denholder	
J E Hodgson	Resigned 26 November 2014
J Redman	Resigned 24 September 2014
T Keane	
M Cadman	Resigned 29 January 2014
K Murphy	
P Maxson	Appointed 21 February 2014
R Pilbeam	Appointed 21 February 2014
M Barrett	Appointed 17 November 2014
J Morrison	Appointed 17 November 2014

The directors were in office for the whole year and up to the date of the report unless otherwise stated.

BOARD AND COMMITTEE MEETINGS

The number of Board and formal committee meetings held during the period that the director was a member of the Board or the committee and the numbers of meetings attended during that period are:

Director	Queensland Symphony Orchestra Holdings Ltd		Queensland Symphony Orchestra Pty Ltd			
	Board		Board		Finance and Audit Committee	
	Held (A)	Attended (B)	Held (A)	Attended (B)	Held (A)	Attended (B)
G K Wanchap	2	2	11	11	10	9
T Denholder	2	2	11	11		
J Keep	2	2	11	10	10	10
J E Hodgson	2	2	11	9		
J Redman	1	1	9	9		
T Keane	2	2	11	11	10	8
M Cadman			2	2		
K Murphy	2	2	11	11	6	4
P Maxson	2	2	10	8		
R Pilbeam	2	2	10	8	4	2
M Barrett			1	0		
J Morrison			1	0		

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

(B) represents the number of meetings attended by the director

PRINCIPAL ACTIVITIES

The principal activity of the group during the year was the performance of orchestral music. There were no significant changes in the nature of the activities of the group during the year.

REVIEW AND RESULTS OF OPERATIONS

The company presented 145 performances during the twelve months ended 31 December 2014 including 62 pit services for performances of Opera Queensland and Queensland Ballet, and 28 performances as a hired orchestra. The majority of the company's concerts were held in Queensland Performing Arts Centre Concert Hall.

The net profit for the year ended 31 December 2014 was \$622,369 (year ended 31 December 2013 was \$273,013 net loss).

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Directors' report for the year ended 31 December 2014

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 under review.

LIKELY DEVELOPMENTS

The group has scheduled performances of orchestral music which it will continue to present during the next financial year. The group's financial viability is dependent on maintaining its current level of government funding, corporate sponsorship and ticket sales.

The group will be required to make the final contribution towards the Southbank Co-location project of \$1,000,000 during 2015 which is in addition to the \$4,000,000 contribution made in 2013, \$7,000,000 in 2012 and \$2,000,000 in 2011.

DIVIDENDS

No dividends were paid or proposed during the financial year.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

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 an officer or auditor of the group.

Insurance premiums

During the financial year, the group has paid premiums in respect of directors' and officers' liability and legal expenses for the year ended 31 December 2014. Since the end of the financial year, the group has paid or agreed to pay premiums in respect of such insurance contracts for the year ended 31 December 2015. Such insurance contracts insure persons who are or have been directors or officers of the group against certain liabilities (subject to certain exclusions).

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract. All costs to date have been expensed as incurred in the financial report.

AUDITOR'S INDEPENDENCE

The directors have received a declaration of independence from the auditor; this report can be found on page 18.

EVENTS SUBSEQUENT TO BALANCE DATE

No events have occurred subsequent to balance date that materially affect the accounts and are not already reflected in the financial statements.

Signed in accordance with a resolution of the directors:



Greg Wanchap
Chairman

Brisbane

Queensland Symphony Orchestra Holdings Ltd

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Statements of comprehensive income for the year ended 31 December 2014

		Consolidated		Parent	
	Note	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Revenue		\$	\$	\$	\$
Funding Revenue	2	11,433,640	10,362,194	10,298,284	10,116,194
Ticket Sales	3	3,667,131	2,398,873	-	-
Sponsorship and Donation Revenue	4	2,204,450	2,585,575	-	-
Orchestral Hire		847,292	638,552	-	-
Other Revenue	5	343,712	352,901	-	-
		18,496,225	16,338,095	10,298,284	10,116,194
Expenses					
Employee expenses	6	10,913,348	10,576,943	-	-
Artists fees and expenses		1,316,094	934,371	-	-
Marketing expenses		631,052	691,245	-	-
Production Expenses		1,771,457	1,254,916	-	-
Service fees		213,107	213,108	-	-
Depreciation and amortisation	6	555,852	296,919	-	-
Other expenses from ordinary activities		2,472,946	2,643,606	-	-
Funding expense		-	-	10,298,284	10,116,194
		17,873,856	16,611,108	10,298,284	10,116,194
NET PROFIT/(LOSS) FOR THE YEAR		622,369	(273,013)	-	-

The Statements of comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 7 to 16

Queensland Symphony Orchestra Holdings Ltd
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Statements of financial position as at 31 December 2014

	Note	Consolidated		Parent	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	15	1,644,083	891,679	-	-
Trade and other receivables	7	3,797,618	126,036	-	-
Other	8	2,199,633	2,167,030	-	-
TOTAL CURRENT ASSETS		7,641,334	3,184,745	-	-
NON-CURRENT ASSETS					
Property, plant and equipment	9	914,569	1,009,743	-	-
Southbank lease premium		13,484,112	13,834,112	-	-
Investment in controlled entities	10	-	-	985,395	985,395
TOTAL NON-CURRENT ASSETS		14,398,681	14,843,855	985,395	985,395
TOTAL ASSETS		22,040,015	18,028,600	985,395	985,395
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	11	1,815,677	1,352,487	-	-
Deferred revenue	12	4,506,128	1,625,458	-	-
Provisions	13	2,080,270	2,073,359	-	-
TOTAL CURRENT LIABILITIES		8,402,075	5,051,304	-	-
NON-CURRENT LIABILITIES					
Provisions	13	245,780	207,505	-	-
TOTAL NON-CURRENT LIABILITIES		245,780	207,505	-	-
TOTAL LIABILITIES		8,647,855	5,258,809	-	-
NET ASSETS		13,392,160	12,769,791	985,395	985,395
EQUITY					
Johannes Fritzs Reserve	14	105,915	-	-	-
Sampson Library Reserve	14	41,704	41,704	-	-
Retained profits Southbank Building	19	13,484,112	13,834,112	-	-
Retained profits	19	(239,571)	(1,106,025)	985,395	985,395
TOTAL EQUITY		13,392,160	12,769,791	985,395	985,395

The Statements of financial position should be read in conjunction with the notes to the financial statements set out on pages 7 to 16

Queensland Symphony Orchestra Holdings Ltd
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Statements of changes in equity for the year ended 31 December 2014

CONSOLIDATED

	Retained Profits \$	Johannes Fritzsche Fund \$	Sampson Library Fund \$	Total \$
As at 1 January 2013	13,001,100	-	41,704	13,042,804
Profit for the year	(273,013)	-	-	(273,013)
As at 31 December 2013	12,728,087	-	41,704	12,769,791
Profit for the year	622,369	-	-	622,369
Transfer (from)/to Johannes Fritzsche Fund	(105,915)	105,915	-	-
As at 31 December 2014	13,244,541	105,915	41,704	13,392,160

PARENT

As at 1 January 2013	985,395	-	-	985,395
Profit for the year	-	-	-	-
As at 31 December 2013	985,395	-	-	985,395
Profit for the year	-	-	-	-
As at 31 December 2014	985,395	-	-	985,395

The Statements of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 7 to 16

Queensland Symphony Orchestra Holdings Ltd
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Cash flow statement for the year ended 31 December 2014

		Consolidated		Parent	
	Note	31/12/2014	31/12/2013	31/12/2014	31/12/2013
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		6,135,615	6,292,699	-	-
Cash payments in the course of operations		(16,723,785)	(20,278,766)	-	-
Cash payments to subsidiary		-	-	(10,298,284)	(10,116,194)
Grants received from government funding bodies		11,433,640	10,475,193	10,298,284	10,116,194
Interest received		136,058	161,044	-	-
Net Cash provided / (used in) operating activities	15(b)	981,528	(3,349,830)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
(Payments) /Proceeds term deposit investment		(118,447)	3,952,248	-	-
Payment for property, plant and equipment		(110,678)	(685,625)	-	-
Net Cash provided / (used in) investing activities		(229,125)	3,266,623	-	-
Net increase/(decrease) in cash held		752,403	(83,207)	-	-
Cash & cash equivalents at the beginning of the financial year		891,681	974,888	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15(a)	1,644,084	891,681	-	-

The Cash flow statement should be read in conjunction with the notes to the financial statements set out on pages 7 to 16

Queensland Symphony Orchestra Holdings Ltd
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Notes to the financial statements for the year ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the Corporations Act 2001 and the Tripartite Funding Agreement between the Australia Council for the Arts (Federal Government) and Arts Queensland (State Government) and Queensland Symphony Orchestra Holdings Ltd ("Tripartite Funding Agreement") signed 21 December 2011. The accounting policies used in the preparation of this financial report, as described below, are consistent with the financial reporting requirements of the Tripartite Funding Agreement and with previous years, and are, in the opinion of the directors, appropriate to meet the needs of members:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The requirements of Accounting standards and other financial reporting requirements in Australia do not have mandatory applicability to Queensland Symphony Orchestra Pty Ltd because it is not a "reporting entity". The directors have, however, prepared the financial report in accordance with all Accounting Standards and other mandatory financial reporting requirements in Australia with the following exceptions:
 - AASB 7 Financial Instruments: Disclosure
 - AASB 8 Operating Segments
 - AASB 117 Leases
 - AASB 124 Related Party Disclosures
 - AASB 127 Consolidated and Separate Financial Statements
 - AASB 132 Financial Instruments: Presentation
 - AASB 139 Financial Instruments: Recognition and Measurement

b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Queensland Symphony Orchestra Holdings Limited and its subsidiaries as at 31 December 2014. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, 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. The subsidiary is 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. The acquisition of Queensland Symphony Orchestra Pty Ltd on 1 January 2007 was accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of Queensland Symphony Orchestra Pty Ltd for the period from its acquisition on 1 January 2007. Where the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognized as a gain in the statement of comprehensive Income (discount on acquisition), but only after reassessment of the identification and measurement of the net assets acquired.

c) 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 for the major business activities as follows:

Concert Revenue

Concert revenue is recognised at the time of concert performance.

Funding Revenue

Funding revenue is received from the Australia Council for the Arts (as represented by the Major Performing Arts Board) and Arts Queensland under the terms of the Tripartite Funding Agreement entered into in December 2011. Funding is then transferred onto Queensland Symphony Orchestra Pty Ltd from Queensland Symphony Orchestra Holdings Ltd as required under the Tripartite Agreement. A deed of variation from 2012 to 2014 Tri-Partite Funding Agreement was signed on 17 December 2014 to extend the completion date from 31 December 2014 to 31 December 2015.

Special purpose funding, which requires the company to fulfil an obligation outside its normal operations, 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 precedent being fulfilled the funding is treated as deferred until the conditions are satisfied.

Contribution Income

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

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.

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Notes to the financial statements for the year ended 31 December 2014

Sponsorship and Donations Revenue

Sponsorship

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

Donations

All donations are brought to account as received.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

Depreciation and amortisation

Items of plant and equipment, leasehold improvements, computer 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 5 and 10 years
Musical instruments	Between 5 and 10 years
Computer equipment	Between 2 and 5 years
Furniture, fixtures and fittings	10 years

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

Leased plant and equipment

Leases of plant and equipment are classified as operating leases as the lessors retain substantially all of the risks and benefits of ownership. Minimum lease payments are charged against profits over the accounting periods covered by the lease terms except where an alternative basis would be more representative of the pattern of benefits to be derived from the leased property.

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 and not a lease. 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.

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Notes to the financial statements for the year ended 31 December 2014

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 is 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 provisions for employee benefits to 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 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 for employee benefits to 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 have also been included in the liability.

Superannuation Plans

The group contributes to several defined contribution superannuation plans. Employer contributions have been expensed against income.

m) Investment in controlled entities

The Company

The Queensland Orchestra Holdings Ltd was incorporated on 31 October 2006.

The Queensland Orchestra Holdings Ltd acquired The Queensland Orchestra Pty Ltd on 1 January 2007.

On 14 October 2009 The Queensland Orchestra Holdings Ltd changed its name to Queensland Symphony Orchestra Holdings Ltd.

Controlled Entities – 100% owned

Queensland Orchestras Pty Ltd was incorporated on 30 October 2000, and on 1 January 2001 undertook the operations of the Queensland Symphony Orchestra and Queensland Philharmonic Orchestra.

On 17 February 2003 the company name was changed from Queensland Orchestras Pty Ltd to The Queensland Orchestra Pty Ltd.

On 14 October 2009 the company name was changed from The Queensland Orchestra Pty Ltd to Queensland Symphony Orchestra Pty Ltd.

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Notes to the financial statements for the year ended 31 December 2014

n) Going concern

The financial statements are prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business notwithstanding the Group being in a net working capital deficient position as at the reporting date and incurring a net cash outflow for the year.

At 31 December 2014 the Group recorded a profit of \$ 622,369 and total assets exceeded total liabilities by \$13,392,158. The net working capital deficiency relates predominantly to unearned revenue of \$4,506,128 which is considered low risk of not being earned in 2014 and employee provisions of \$ 2,080,270, which based on patterns of realisation of leave liabilities, is unlikely to be paid in full within the next 12 months from the date of this report. Queensland Symphony Orchestra Holdings Ltd entered into a Tripartite Funding Agreement for a three year period commencing 1 January 2012 under which funding is provided to the group for the operation of the orchestra. The Board and Management also strictly monitors the performance of the business through budget and cash flow management and takes corrective action to increase revenue or minimise expenditure as and when it is required. Annual funding for Queensland Symphony Orchestra Holdings Ltd in respect of the year ended 31 December 2015 has been approved by Arts Queensland and Australia Council on 17 December 2014.

On the basis of the above, the Board of Directors are of the opinion the Group has sufficient funds to meet its debts as and when they fall due and realise its assets and settle its liabilities in the ordinary course of business.

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Notes to the financial statements for the year ended 31 December 2014

2. FUNDING REVENUE

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Australia Council MPAB annual grant	7,367,376	7,237,106	7,367,376	7,237,106
Australia Council MPAB - dedicated grants	54,460	-	-	-
Arts Queensland annual grant	2,930,905	2,879,088	2,930,905	2,879,088
Arts Queensland - dedicated grants	770,201	95,000	-	-
Arts Queensland - Co-location Project	-	-	-	-
Brisbane City Council grant	20,000	40,000	-	-
Grants dedicated - non government	-	111,000	-	-
LOP Funding	290,698	-	-	-
	11,433,640	10,362,194	10,298,281	10,116,194

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 Company has a three-year contract securing base funding in place with the Australia Council for the Arts and Arts Queensland that commenced on 1 January 2012. A deed of variation to the 2012 to 2014 Tri-Partite Funding Agreement was signed on 17 December 2014 to extend the completion date from 31 December 2014 to 31 December 2015.

As required, these amounts are then funded to Queensland Symphony Orchestra Pty Ltd to operate Queensland Symphony Orchestra.

3. TICKET SALES

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Subscription sales	1,166,546	1,105,895	-	-
Single ticket sales	2,500,585	1,292,978	-	-
	3,667,131	2,398,873	-	-

4. SPONSORSHIP AND DONATION REVENUE

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Sponsorship	1,442,085	1,606,793	-	-
Guild membership	-	3,382	-	-
Donations	762,365	975,400	-	-
	2,204,450	2,585,575	-	-

5. OTHER REVENUE

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
<i>From operating activities</i>				
Interest Income	136,058	161,044	-	-
<i>From outside operating activities</i>				
Other	207,654	191,857	-	-
	343,712	352,901	-	-

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Notes to the financial statements for the year ended 31 December 2014

6. OPERATING PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been arrived at after charging/(crediting) the following items:

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Depreciation and Amortisation				
Musical Instruments	65,130	61,465	-	-
Office equipment	3,181	2,529	-	-
Furniture, fixtures and fittings	70,317	49,108	-	-
Computer equipment	67,223	17,929	-	-
Lease Amortisation	350,000	165,888	-	-
	555,852	296,919	-	-
Less rental expense - operating lease	34,727	31,487	-	-
Employee Expenses:				
Salary and wages	9,198,743	9,131,340	-	-
Superannuation	1,260,406	1,234,403	-	-
Workers compensation	163,501	164,219	-	-
Redundancies	290,698	46,981	-	-
	10,913,348	10,576,943	-	-

7. TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
<i>Current</i>				
Trade Debtors	3,416,785	30,466	-	-
Other Debtors	422,106	95,570	-	-
Provision for Doubtful Debt	(41,273)	-	-	-
	3,797,618	126,036	-	-

8. OTHER CURRENT ASSETS

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Prepayments	133,595	219,443	-	-
Term Deposit Divestment Fund*	31,669	322,367	-	-
Term Deposit Reserve Incentive Scheme**	1,251,000	1,251,000	-	-
Term Deposit Southbank Building Fund	-	374,220	-	-
Term Deposit	783,369	-	-	-
	2,199,633	2,167,030	-	-

* The Escrow funds received under the Loss of Proficiency Deed of Escrow Agreement are held in escrow and have not been used to secure any liabilities of the company.

** Reserve Incentive Scheme funds received, together with the Company's contribution are held in escrow and subject to the terms and conditions of the Reserves Incentive Funding Scheme Agreement, and have not been used to secure any liabilities of the Company.

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Notes to the financial statements for the year ended 31 December 2014

9. PROPERTY, PLANT AND EQUIPMENT

	Musical Instruments	Office Equipment	Computer Equipment	Furniture, Fixtures and Fittings	Musical Works	Total \$
<i>Cost</i>						
Opening Balance	790,611	50,356	64,526	753,861	5,237	1,664,591
Additions	-	-	84,350	26,328	-	110,678
Disposals						-
Closing Balance	790,611	50,356	148,876	780,189	5,237	1,775,269
<i>Accumulated depreciation</i>						
Opening Balance	(407,254)	(43,658)	(36,618)	(167,318)	-	(654,848)
Depreciation Expense	(65,130)	(3,181)	(67,224)	(70,317)	-	(205,852)
Disposals						
Closing Balance	(472,384)	(46,839)	(103,842)	(237,635)	-	(860,700)
Net Book Value 31 December 2014	318,227	3,517	45,034	542,554	5,237	914,569
Net Book Value 31 December 2013	383,357	6,698	27,908	586,543	5,237	1,009,743

10. INVESTMENT IN CONTROLLED ENTITIES

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Investment in controlled entities, at cost	-	-	985,395	985,395
(Impairment loss) / Reversal of impairment	-	-	985,395	985,395

11. TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Trade Creditors	355,465	283,127	-	-
Other creditors and accruals	460,212	69,360	-	-
Southbank Lease Premium Payable	1,000,000	1,000,000	-	-
	1,815,677	1,352,487	-	-

12. DEFERRED REVENUE

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
State funding received in advance	746,219	91,875	-	-
Federal funding received in advance	2,258,835	230,492	-	-
Brisbane city Council grant received in advance	35,000	15,000	-	-
Subscriptions received in advance	1,296,883	851,002	-	-
Other deferred revenue	169,191	437,089	-	-
	4,506,128	1,625,458	-	-

Queensland Symphony Orchestra Holdings Ltd
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Notes to the financial statements for the year ended 31 December 2014

13. PROVISIONS

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
a) Current employee benefits - note 16	2,080,270	2,073,359	-	-
b) Non-current employee benefits - note 16	245,780	207,505	-	-

14. RESERVES

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Johannes Fritzs Reserve				
Accumulated Reserves at January 1	-	-	-	-
Transfer from retained earnings in relation to:				
Current year donation	105,915	-	-	-
Accumulated reserves at 31 December	105,915	-	-	-
Sampson Library Reserve				
Accumulated Reserves at January 1	41,704	41,704		
Transfer from retained earnings in relation to:				
Current year donation	-	-	-	-
Accumulated reserves at 31 December	41,704	41,704	-	-

15. 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 financial period as shown in the cash flow statement are as follows:

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Cash at bank	1,529,971	795,736	-	-
Southbank Building Fund	-	23,121	-	-
QSO Fund Account	72,408	31,122	-	-
Sampson Library	41,704	41,700	-	-
	1,644,083	891,679	-	-

Total cash and term deposits at the end of the financial period are \$3,710,120 (at 31 December 2013: \$2,839,268).

Queensland Symphony Orchestra Holdings Ltd
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Notes to the financial statements for the year ended 31 December 2014

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

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Profit/(Loss) from ordinary activities	622,369	(273,013)	-	-
Less items classified as investing/financing activities				
Loss disposal of non-current assets	-	-	-	-
add/(less) non-cash items:				
Amortisation	350,000	165,890	-	-
Charges to provisions	45,186	163,852	-	-
Disposal of fixed assets	-	833	-	-
Depreciation	205,851	131,031	-	-
Net cash (used in)/provided by operating activities before change in assets and liabilities	1,223,406	188,593	-	-
Change in assets and liabilities:				
(Increase)/decrease in receivables	(3,671,582)	100,039	-	-
(Increase)/decrease in other assets	85,847	172,306	-	-
Increase/(decrease) in accounts payable	463,187	(4,301,570)	-	-
Increase/(decrease) in deferred revenue	2,880,670	490,802	-	-
Net cash provided by operating activities	981,528	(3,349,830)	-	-

16. EMPLOYEE BENEFITS

Aggregate employee benefits presented above include on-costs. The present values of employee benefits not expected to be settled within twelve months of balance date have been calculated using the following weighted averages:

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Current	2,080,270	2,073,359	-	-
Non-Current	245,780	207,515	-	-
	2,326,050	2,280,874	-	-

At year end, the group employed 102 full-time equivalent employees (2013: 104 employees).

Employees contribute to the Media Superannuation Scheme which is the group's default defined contribution superannuation scheme, as well as other schemes under the freedom of choice legislation. Employer contributions amounting to \$1,260,405 (2013: \$1,234,403) for the group in relation to these schemes have been expensed in these financial statements.

17. AUDITOR'S REMUNERATION

	Consolidated		Parent	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$	\$	\$	\$
Auditing of the financial report	28,000	28,000	-	-
	28,000	28,000	-	-

No other benefits were received by the auditor.

18. SEGMENT INFORMATION

For the current and previous financial period the group has performed orchestral music primarily within Queensland, Australia.

Queensland Symphony Orchestra Holdings Ltd
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Notes to the financial statements for the year ended 31 December 2014

19. RETAINED PROFITS

Consolidated

	Retained Profits Southbank Building	Retained Profits	Total Retained Profits
	\$	\$	\$
Retained Profits at the beginning of the year	13,834,112	(1,106,025)	12,728,087
Net Profit/(Loss) from ordinary activities	-	622,369	622,369
Lease Amortisation	(350,000)	350,000	-
Transfer to Johannes Fritzsche Fund	-	(105,915)	(105,915)
Retained Profits at the end of the year	<u>13,484,112</u>	<u>(239,571)</u>	<u>13,244,541</u>

Parent

	Retained Profits
	\$
Retained Profits at the beginning of the year	985,395
Net Profit/(Loss) from ordinary activities	-
Retained Profits at the end of the year	<u>985,395</u>

Retained profits Southbank Building relates to the Grant Income and Donations received associated with the Southbank lease premium as described in note 1(i) which includes the impact of the amortisation of the lease premium. The balance of Retained profits reflects the history of operating profits/(losses) for the Group.

20. COMMITMENTS

The group has no significant commitments at balance date.

21. SUBSEQUENT EVENTS

No events have occurred subsequent to balance date that materially affect the accounts and are not already reflected in the financial statements.

22. ADDITIONAL DISCLOSURES

The special purpose financial report of Queensland Symphony Orchestra Holdings Ltd for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of directors on 29 April 2015.

Queensland Symphony Orchestra Holdings Ltd is a public company limited by guarantee, incorporated in Australia and having its principal place of business at:

114 Grey Street
South Brisbane QLD 4101

The company's registered office address is:

114 Grey Street
South Brisbane QLD 4101

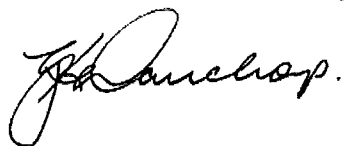
Directors' Declaration

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 Company is not a reporting entity as defined in the Australian Accounting Standards;
- (b) The consolidated financial statements and notes of the Company are in accordance with the Tripartite Funding Agreement and the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the *Corporations Regulations 2001*;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'G Wanchap', with a stylized flourish at the end.

Greg Wanchap
Chairman

Brisbane



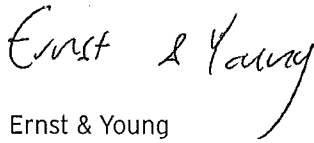
Building a better
working world

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Auditor's independence declaration to the directors of Queensland Symphony Orchestra Holdings Limited

In relation to our audit of the financial report of Queensland Symphony Orchestra Holdings Limited for the financial year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Tom du Preez
Partner
29 April 2015

Independent auditor's report to the members of Queensland Symphony Orchestra Holdings Limited

We have audited the accompanying financial report, being a special purpose financial report of Queensland Symphony Orchestra Holdings Limited, which comprises the statements of financial position as at 31 December 2014, the statements of comprehensive income, statements of changes in equity and cash flow statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal controls as the directors determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Opinion

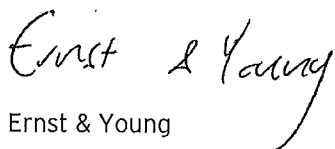
In our opinion the financial report of Queensland Symphony Orchestra Holdings Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's and consolidated entity's financial positions as at 31 December 2014 and of their performance for the year ended on that date; and

- b. complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.



Ernst & Young



Tom du Preez
Partner
Brisbane
29 April 2015