



Queensland Symphony Orchestra Holdings Ltd
AND ITS CONTROLLED ENTITIES

A.B.N. 55 122 464 706

Annual Financial Report
31 December 2015

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Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706

Directors' report for the year ended 31 December 2015

The directors present their report together with the financial report of Queensland Symphony Orchestra Holdings Ltd (the Company) for the year ended 31 December 2015 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, Audit and Risk Committee Resigned as Chair of the Committee 18 November 2015
T Keane	Chairman of Finance, Audit and Risk Committee Appointed as Chair of the Committee 19 November 2015
K Murphy	Resigned 30 September 2015
T Denholder	
P Maxson	
R Pilbeam	
M Barrett	
J Morrison	

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:

Directors	Queensland Symphony Orchestra Holdings Ltd				Queensland Symphony Orchestra Pty Ltd					
	Board		Membership Committee		Board		Finance Audit and Risk Committee		Remuneration Committee	
	A	B	A	B	A	B	A	B	A	B
G K Wanchap	3	3			10	10	9	8	3	3
T Denholder	3	3	4	4	10	9			3	3
T Keane	3	1	4	4	10	8	9	9	3	3
J Keep	3	2			10	8	9	7		
K Murphy	3	2	3	2	8	7				
R Pilbeam	3	3			10	10	9	7		
P Maxson	3	2			10	9			3	3
M Barrett	3	3			10	9				
J Morrison	3	0			10	5				

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Directors' report for the year ended 31 December 2015

(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 157 performances during the twelve months ended 31 December 2015 including 52 pit services for performances of Opera Queensland and Queensland Ballet, and 44 performances as a hired orchestra. The majority of the company's concerts were held in Queensland Performing Arts Centre Concert Hall. Regionally, the company performed 20 performances throughout the state and engaged with 148 schools.

The net profit for the year ended 31 December 2015 was \$655,080 (year ended 31 December 2014 was \$622,369 net profit).

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 2016. This will be met from operating cashflows. This 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 2015. 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 ending 31 December 2016. 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.

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Directors' report for the year ended 31 December 2015

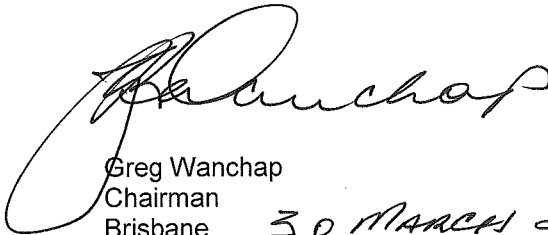
AUDITOR'S INDEPENDENCE

The directors have received a declaration of independence from the auditor; this report can be found on page 22.

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:

A handwritten signature in black ink, appearing to read 'G Wanchap', with a large, stylized loop at the beginning.

Greg Wanchap
Chairman
Brisbane

30 MARCH 2016.

Queensland Symphony Orchestra Holdings Ltd
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Statement of comprehensive income for the year ended 31 December 2015

	Notes	2015	2014
		Consolidated	Consolidated
Revenue		\$	\$
Funding revenue	3	11,147,202	11,433,640
Ticket sales	4	2,591,300	3,667,131
Sponsorship, donation and membership revenue	5	2,683,985	2,204,450
Orchestral hire and fees		852,010	847,292
Other revenue	6	242,427	343,712
		17,516,924	18,496,225
Expenses			
Employee expenses	7	10,816,110	10,913,348
Artists fees and expenses		1,164,961	1,316,094
Marketing expenses		741,790	631,052
Production expenses		1,148,676	1,771,457
Service fees		213,107	213,107
Depreciation and amortisation	7	513,773	555,852
Other expenses from ordinary activities		2,263,427	2,472,946
		16,861,844	17,873,856
NET PROFIT FOR THE YEAR		655,080	622,369

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

Queensland Symphony Orchestra Holdings Ltd

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Statement of financial position as at 31 December 2015

	Notes	2015 Consolidated \$	2014 Consolidated \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,565,057	1,644,083
Trade and other receivables	10	3,041,740	3,797,618
Other	11	3,614,657	2,199,633
TOTAL CURRENT ASSETS		9,221,454	7,641,334
NON-CURRENT ASSETS			
Property, plant and equipment	12	771,128	914,569
Southbank lease premium	9	13,134,112	13,484,112
TOTAL NON-CURRENT ASSETS		13,905,240	14,398,681
TOTAL ASSETS		23,126,694	22,040,015
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,819,317	1,815,677
Deferred revenue	14	4,769,899	4,506,128
Provisions	15	2,185,850	2,080,270
TOTAL CURRENT LIABILITIES		8,775,066	8,402,075
NON-CURRENT LIABILITIES			
Provisions	15	304,388	245,780
TOTAL NON-CURRENT LIABILITIES		304,388	245,780
TOTAL LIABILITIES		9,079,454	8,647,855
NET ASSETS		14,047,240	13,392,160
EQUITY			
Artistic Reserve	17	224,500	-
Education Reserve	18	250,119	147,619
Touring Reserve	19	200,000	-
Instrument Reserve	20	81,200	-
Reserve Incentive		1,251,000	1,251,000
Retained Earnings Southbank Building		13,134,112	13,484,112
Retained Earnings		(1,093,691)	(1,490,571)
TOTAL EQUITY		14,047,240	13,392,160

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

Queensland Symphony Orchestra Holdings Ltd

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Statement of changes in equity for the year ended 31 December 2015

Consolidated	Notes	Retained Earnings	Southbank Building	Reserve Incentive	Artistic	Education	Touring	Instrument	Total Equity
		\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2015		(1,490,571)	13,484,112	1,251,000	-	147,619	-	-	13,392,160
Net Profit for the year		655,080	-	-	-	-	-	-	655,080
Transfer (from)/to Artistic	17	(224,500)	-	-	224,500	-	-	-	-
Transfer (from)/to Education	18	(122,500)	-	-	-	122,500	-	-	-
Transfer (from)/to Education	18	20,000	-	-	-	(20,000)	-	-	-
Transfer (from)/to Touring	19	(200,000)	-	-	-	-	200,000	-	-
Transfer (from)/to Instruments	20	(81,200)	-	-	-	-	-	81,200	-
Lease Amortisation		350,000	(350,000)	-	-	-	-	-	-
As at 31 December 2015		(1,093,691)	13,134,112	1,251,000	224,500	250,119	200,000	81,200	14,047,240

Consolidated	Notes	Retained Earnings	Southbank Building	Reserve Incentive	Artistic	Education	Touring	Instrument	Total Equity
		\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2014		(2,357,025)	13,834,112	1,251,000	-	41,704	-	-	12,769,791
Net Profit for the year		622,369	-	-	-	-	-	-	622,369
Transfer (from)/to Education	18	(105,915)	-	-	-	105,915	-	-	-
Lease Amortisation		350,000	(350,000)	-	-	-	-	-	-
As at 31 December 2014		(1,490,571)	13,484,112	1,251,000	-	147,619	-	-	13,392,160

The Statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 8 to 20

Queensland Symphony Orchestra Holdings Ltd
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Cash flow statement for the year ended 31 December 2015

	2015	2014
	Consolidated	Consolidated
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	7,314,861	6,135,615
Cash payments in the course of operations	(16,360,629)	(16,723,785)
Grants received from government funding bodies	11,115,090	11,433,640
Interest received	106,621	136,058
Net Cash provided / (used in) operating activities	2,175,943	981,528
CASH FLOWS FROM INVESTING ACTIVITIES		
(Payments) / Proceeds term deposit investment	(1,234,638)	(118,447)
Payment for property, plant and equipment	(20,332)	(110,678)
Net Cash provided / (used in) investing activities	(1,254,970)	(229,125)
Net increase/(decrease) in cash held	920,973	752,403
Cash & cash equivalents at the beginning of the financial year	1,644,084	891,681
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,565,057	1,644,084

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

Queensland Symphony Orchestra Holdings Ltd

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Notes to the Financial Statements

1. CORPORATE INFORMATION

The financial report of the Group for the year ended December 2015 was authorised for issue in accordance with a resolution of the Directors on 30 March 2016.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Australian Accounting Standards – Reduced Disclosure Requirements, the *Australian Charities and Not-for-Profits Commission Act 2012* and other authoritative pronouncements of the Australian Accounting Standards Board. The consolidated financial report has also been prepared on a historical costs basis and except where stated, does not take into account changing money values or fair values of non-current assets. The consolidated financial report is prepared in Australian dollars.

Statement of compliance

The Group is a not-for-profit entity. Therefore, the Group has elected to present Tier 2 General Purpose financial Statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB), and the Australian Charities and Not-for-Profits Commission Act 2012.

New and amended standards and interpretations

The Group has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 January 2015:

AASB 13: Fair Value Measurement

AASB 10: Consolidated Financial Statements

The Group has performed an assessment of the nature and the impact of each new standard and amendment and has determined that they do not impact the annual consolidated financial statements of the Group.

Financial risk management objective and policies

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 currency risk in accordance with the Group's financial risk management policy.

a) Basis of Consolidation

The consolidated financial statements consist of the financial statements of Queensland Symphony Orchestra Holdings Ltd and its subsidiary as at 31 December 2015.

The financial statements of its subsidiary 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.

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Notes to the Financial Statements

b) Going concern

The ability of the Group to maintain its operations is dependent inter alia on the continuing support of various Governments by way of Grants. Queensland Symphony Orchestra Holdings Ltd entered into a Tripartite Funding Agreement for a three year period commencing 1 January 2016 under which funding is provided to the group for the operation of the orchestra.

At 31 December 2015 the Group recorded a profit of \$ 655,080 and was in a current net asset position of \$446,388. Total assets exceeded total liabilities by \$14,047,240 (2014 \$13,392,160).

Therefore, the financial statements have been prepared under the going concern principle.

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:

i. Concert Revenue

Concert revenue is recognised at the time of concert performance.

ii. 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.

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 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. 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.

Queensland Symphony Orchestra Holdings Ltd

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Notes to the Financial Statements

vi. 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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

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Notes to the Financial Statements

i) 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.

j) 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.

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.

k) 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.

l) 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.

m) Reserves

Endowments/donations received without restrictions will be recognised as revenue when received.

Endowments and donations received with restrictions or stipulations regarding their use are recognised as income when the asset transferred is controlled by the company. Investment income from the endowment is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

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Notes to the Financial Statements

n) 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.

o) Changes in accounting policies

All accounting policies have been applied on a consistent basis with those of the previous period.

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 December 2015.

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.

PARENT ENTITY

The consolidated financial statements of Queensland Symphony Orchestra Holdings Ltd at 31 December 2015 include the parent Company's wholly owned subsidiary, Queensland Symphony Orchestra Pty Ltd which is incorporated in Australia and has the same reporting date as that of the parent entity. The carrying value of the investment at 2015 and 2014 is \$985,395. During the year Queensland Symphony Orchestra Holdings Ltd granted no grant funding (2014: \$10,298,284) to its subsidiary and net profit for the period was nil. In 2015 funding was paid directly to the subsidiary by the respective grant bodies.

Queensland Symphony Orchestra Holdings Ltd

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Notes to the Financial Statements

3. FUNDING REVENUE

	Consolidated 2015	Consolidated 2014
	\$	\$
Australia Council MPAB annual grant	7,529,456	7,367,376
Australia Council MPAB - dedicated grants	2,500	54,460
Arts Queensland annual grant	2,984,864	2,930,905
Arts Queensland - dedicated grants	558,270	770,201
Brisbane City Council grant	40,000	20,000
Grants dedicated - non government	32,112	-
LOP Funding	-	290,698
	11,147,202	11,433,640

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.

Queensland Symphony Orchestra Holdings Ltd entered into a Tripartite funding Agreement for a three year period commencing 1 January 2016 under which funding is provided to the group for the operation of the orchestra.

4. TICKET SALES

	Consolidated 2015	Consolidated 2014
	\$	\$
Subscription sales	1,359,564	1,166,546
Single ticket sales	1,231,736	2,500,585
	2,591,300	3,667,131

5. SPONSORSHIP, DONATION AND MEMBERSHIP REVENUE

	Consolidated 2015	Consolidated 2014
	\$	\$
Sponsorship	1,395,645	1,442,085
Membership	200	-
Donations	1,288,140	762,365
	2,683,985	2,204,450

Queensland Symphony Orchestra Holdings Ltd

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Notes to the Financial Statements

6. OTHER REVENUE

	Consolidated 2015 \$	Consolidated 2014 \$
<i>From operating activities</i>		
Interest Income	106,621	136,058
<i>From outside operating activities</i>	-	-
Other	135,806	207,654
	242,427	343,712

7. EXPENSES

	2015 \$	2014 \$
Depreciation and Amortisation		
Musical Instruments	65,348	65,130
Office equipment	2,350	3,181
Furniture, fixtures and fittings	70,777	70,317
Computer equipment	25,298	67,224
Lease Amortisation	350,000	350,000
	513,773	555,852
Less rental expense - operating lease	36,165	34,727
Employee Expenses:		
Salary and wages	9,358,692	9,198,743
Superannuation	1,248,039	1,260,406
Workers compensation	174,634	163,501
Redundancies	34,745	290,698
	10,816,110	10,913,348

8. INCOME TAX

The holding company's sole subsidiary, Queensland Symphony Orchestra Pty Limited, 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.

Queensland Symphony Orchestra Holdings Ltd

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Notes to the Financial Statements

9. INTANGIBLE ASSET – SOUTH BANK LEASE PREMIUM *

	2015	2014
	\$	\$
As 1 January, net of accumulated amortisation	13,484,112	13,834,112
Additions	-	-
Amortisation charge for the year	(350,000)	(350,000)
As at 31 December, net of accumulated amortisation and impairment	<u>13,134,112</u>	<u>13,484,112</u>

At 31 December		
Cost or fair value	14,000,000	14,000,000
Accumulated Amortisation	<u>(865,888)</u>	<u>(515,888)</u>
Cost or fair value carried forward	<u>13,134,112</u>	<u>13,484,112</u>

* Refer to note 2(j) for background. The South Bank Lease Premium is included as a reserve in retained earnings.

10. TRADE AND OTHER RECEIVABLES

	2015	2014
	\$	\$
<i>Current</i>		
Trade Debtors	3,088,799	3,416,785
Other Debtors	416	422,106
Provision for Doubtful Debt	(47,475)	(41,273)
	<u>3,041,740</u>	<u>3,797,618</u>

11. OTHER CURRENT ASSETS

	2015	2014
	\$	\$
Prepayments	313,979	133,595
Term Deposit Divestment Fund*	31,669	31,669
Term Deposit Reserve Incentive Scheme**	1,251,000	1,251,000
Term Deposit Southbank Building Fund	-	-
Term Deposit	<u>2,018,009</u>	<u>783,369</u>
	<u>3,614,657</u>	<u>2,199,633</u>

* 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.

Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706
Notes to the Financial Statements

12. 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	148,876	780,189	5,237	1,775,269
Additions	-	-	18,407	9,607	-	28,014
Disposals	2,445	-	-	-	5,237	7,682
Closing Balance	788,166	50,356	167,283	789,796	-	1,795,601
<i>Accumulated depreciation</i>						
Opening Balance	(472,384)	(46,839)	(103,842)	(237,635)	-	(860,700)
Depreciation Expense	(65,348)	(2,350)	(25,298)	(70,777)	-	(163,773)
Disposals						
Closing Balance	(537,732)	(49,189)	(129,140)	(308,412)	-	(1,024,473)
Net Book Value 31 December 2015	250,434	1,167	38,143	481,384	-	771,128
Net Book Value 31 December 2014	318,227	3,517	45,034	542,554	5,237	914,569

13. TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade Creditors	501,823	355,465
Other creditors and accruals	317,494	460,212
Southbank Lease Premium Payable	1,000,000	1,000,000
	1,819,317	1,815,677

14. DEFERRED REVENUE

	2015 \$	2014 \$
Arts Queensland Deferred Revenue	758,611	746,219
Australia Council Deferred Revenue	2,294,976	2,258,835
Brisbane City Council grant received in advance	35,000	35,000
Subscriptions received in advance	1,446,373	1,296,883
Other deferred revenue received in advance	234,939	169,191
	4,769,899	4,506,128

Queensland Symphony Orchestra Holdings Ltd

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Notes to the Financial Statements

15. PROVISIONS

	2015 \$	2014 \$
a) Current employee benefits	2,185,850	2,080,270
b) Non-current employee benefits	304,388	245,780

16. 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:

	2015 \$	2014 \$
Cash at bank	2,408,450	1,529,971
QSO Fund Account	115,288	72,408
Sampson Library	41,704	41,704
	<u>2,565,442</u>	<u>1,644,083</u>

Total cash and term deposits at the end of the financial period are \$5,866,120 (at December 2014: \$3,710,120)

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

	2015 \$	2014 \$
Profit/(Loss) from ordinary activities	655,080	622,369
add/(less) non-cash items:		
Amortisation	350,000	350,000
Charges to provisions	164,186	45,186
Depreciation	163,773	205,851
Net cash (used in)/provided by operating activities		
before change in assets and liabilities	<u>1,333,039</u>	<u>1,223,406</u>
Change in assets and liabilities:		
(Increase)/decrease in receivables	755,878	(3,671,582)
(Increase)/decrease in other assets	(180,384)	85,847
Increase/(decrease) in accounts payable	3,638	463,187
Increase/(decrease) in deferred revenue	263,772	2,880,670
Net cash provided by operating activities	<u>2,175,943</u>	<u>981,528</u>

Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706
Notes to the Financial Statements

17. ARTISTIC RESERVE

	2015	2014
	\$	\$
Accumulated reserves at 1 January	-	-
Transfer from retained earnings in relation to:		
Artistic Reserve Donations	224,500	-
Accumulated Reserves at 31 December	<u>224,500</u>	<u>-</u>

The Artistic Reserve includes a bequest received in 2015 from Ms Barbara Jean Hebden. As per Ms Hebden's wishes each year a portion of her donation will be used to support the expenses associated with the Concert Master.

18. EDUCATION RESERVE

	2015	2014
	\$	\$
Accumulated reserves at 1 January	147,619	41,704
Transfer from retained earnings in relation to:		
Education Reserve Donations	122,500	105,915
Transfer to retained earnings for Assistant Conductor expenses	(20,000)	-
Accumulated Reserves at 31 December	<u>250,119</u>	<u>147,619</u>

The Education Reserve includes donations raised in 2014 for the Johannes Fritsch Fund. This fund supports the expenses associated with the Assistant Conductor position.

19. TOURING RESERVE

	2015	2014
	\$	\$
Accumulated reserves at 1 January	-	-
Transfer from retained earnings in relation to:		
Touring Reserve Donations	200,000	-
Accumulated Reserves at 31 December	<u>200,000</u>	<u>-</u>

20. INSTRUMENT RESERVE

	2015	2014
	\$	\$
Accumulated reserves at 1 January	-	-
Transfer from retained earnings in relation to:		
Instrument Reserve Donations	81,200	-
Accumulated Reserves at 31 December	<u>81,200</u>	<u>-</u>

This reserve has been established to fund the purchase of graphite instruments for the orchestra.

Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706
Notes to the Financial Statements

21. AUDITOR'S REMUNERATION

	2015 \$	2014 \$
Auditing of the financial report	29,000	28,000
	<u>29,000</u>	<u>28,000</u>

No other benefits were received by the auditor.

22. SEGMENT INFORMATION

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

23. COMMITMENTS AND CONTINGENCIES

a) Operating lease (non-cancellable)

	2015 \$	2014 \$
Not later than one year	34,646	34,646
Later than one year and not later than five years	103,936	138,582
Later than five years	-	-
	<u>138,582</u>	<u>173,228</u>

The Group has operating leases for office equipment.

b) Artist fees contracted for but not provided for and not payable

	2015 \$	2014 \$
Not later than one year	796,640	684,385
Later then one year and not later than five years	902,393	47,062
Later than five years	-	-
	<u>1,699,033</u>	<u>731,447</u>

The Group has entered into contracts for performances scheduled to take place during 2016. These amounts include the expenditure required to satisfy the contracts with the artists.

Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706
Notes to the Financial Statements

24. DIRECTORS AND EXECUTIVE DISCLOSURES

a) Details of key management personnel

The names of each person holding the position of Director of the Company during the financial period are listed on page 2 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 on an honorary basis and as such they do not receive remuneration for their role as Directors of the Company.

b) Compensation of key management personnel

	2015	2014
	\$	\$
Total Compensation	614,085	597,293

25. RELATED PARTY

Mr Greg Wanchap, a Director of the Group was a Principal at Crowe Howarth during the year. During the 2014 year this company provided the services of an interim Chief Financial Officer and was reimbursed \$52,800 for these services. Crowe Howarth provided a sponsorship of \$30,800.

Mr Page Maxson, a Director of the Group was Chief Executive Officer at Australia Pacific LNG during the year. During the year Australia Pacific LNG provided sponsorship of \$198,000; (2014: \$165,000)

Ms Sophie Galaise, Chief Executive Officer of the Group was a Director of Symphony Services Australia Limited during the year. Ms Galaise was the delegate of the Group in her role as Director. During the year this company provided orchestral services to the Group totalling \$1,516,672; (2014: \$1,218,311)

Transactions between the Group and entities in which Directors have declared an interest, are, unless otherwise stated, transacted under normal terms and conditions. There were no contracts involving Directors' interest 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, Directors also donated funds to the Group through various donation initiatives undertaken by the Group.

26. SUBSEQUENT EVENTS

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

Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706
Director's Declaration

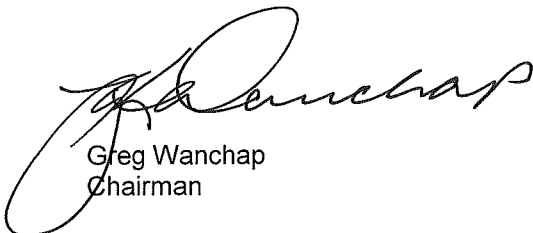
Directors' Declaration

In accordance with a resolution of the directors of Queensland Symphony Orchestra Holdings Ltd
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 2015 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 Regulations 2013*; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



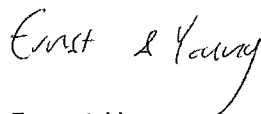
Greg Wanchap
Chairman

Brisbane

30 March 2016.

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

As lead auditor for the audit of the financial report of Queensland Symphony Orchestra Holdings Limited for the financial year ended 31 December 2015, 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 the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.



Ernst & Young



Tom du Preez
Partner
30 March 2016



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

We have audited the accompanying financial report of Queensland Symphony Orchestra Holdings Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the 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 registered 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 *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the registered entity a written Auditor's Independence Declaration, a copy of which is included in the directors' report.



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Opinion

In our opinion the financial report of Queensland Symphony Orchestra Holdings Limited is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the financial position of Queensland Symphony Orchestra Holdings Limited at 31 December 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young
Brisbane
30 March 2016