



Queensland Symphony
Orchestra

ANNUAL REPORT

2011





Queensland Symphony
Orchestra

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Penelope Wensley AC, Governor of Queensland, Patron

GOVERNOR'S MESSAGE

Under Maestro Johannes Fritzsch and a range of distinguished guest conductors, the Queensland Symphony Orchestra in 2011 continued to develop the distinctive personality which has begun to characterise our State orchestra.

Its adventurous and imaginative programming led respected critics during the year to speak of performances marked not only by warmth, power, and musical excellence, but by "invigorating precision", "crisp lightness", and "emotional intensity".

The devastating floods of 2011 were challenging for the performing arts sector in Brisbane but the Orchestra's home in Ferry Road was spared the devastation suffered by the Performing Arts Centre and many of the company's partner organisations, enabling the company's schedule go ahead without interruption and giving concert-goers the opportunity to hear performances and guest performers of exceptional calibre and variety.

The new 20/21 series which introduced audiences to new music, the ongoing commitment to regional Queensland through touring, engaging future professionals through the Young Instrumentalists

Competition, making the bold decision to program works of scale which are rarely performed, engaging Elena Kats-Chernin as Composer in Residence, recording Cheryl Barker's exquisite tribute to her teacher, Joan Hammond, for the Melba label, even supporting QSO cellist, Craig Allister Young, in the third series of television's Masterchef – all are evidence of an engaged, exciting ensemble of which Queenslanders can be proud and I wish them well as they settle into their new home at South Bank and for the beginning of a new era which that move represents.

Penelope Wensley AC
Governor of Queensland



CHAIRMAN'S REPORT

Across age and culture, time and space, great music does not discriminate.

The Queensland Symphony Orchestra (QSO), through the diversity of music performed by our talented musicians, *Touches the Hearts and Minds of all Queenslanders through Music* – this is our mission. We achieve this through main stage performances, regional touring, education programs, recordings, pit services to home and international opera and ballet companies, community programs and special events while always striving for greater engagement with the people of Queensland. We can be very proud of our achievements in all of these aspects in 2011.

Financial strength and long term viability of the Orchestra is critical to ensure that we are able to continue to provide these experiences. I am pleased to report a surplus from our operations for the year of \$744,056, and as our statutory report discloses we received \$9,000,000 from the State and Federal Governments towards the contribution to our new home at South Bank.

I am particularly proud of the breadth and depth of our engagement not only in the life of Brisbane, but across Queensland, through the Orchestra's performances, many of which go beyond our traditional classical concerts. Our musicians played a leading role in many public events such as the Anzac Eve concert, Symphony Under the Stars and Opera at the Racecourse where QSO entertained 9000 music lovers over two outdoor concerts as part of the Brisbane Festival, as well as our long term commitment to performances in regional Queensland. QSO presented concerts in Toowoomba, Caloundra, Rockhampton, Gladstone, Townsville and the Gold Coast. Our contribution to a number of relief concerts after the devastating floods across Queensland in early 2011 including a concert initiated by the University of Queensland and the Prince William concert, are in our view, an obligation we have to the people of Queensland.

Our engagement extends to *QSO Harmony* which is the Orchestra's education and outreach program that engages audiences across the State with our musicians working alongside people from all backgrounds, ages and abilities to bring them the joy of live, professional music. *Meet the Orchestra* performances are designed for those who have never had the opportunity to experience a live orchestral performance. We break down common misconceptions about classical music in a relaxed atmosphere. *QSO Harmony for Health* encourages physical, mental, social and emotional well-being and provides support for health care organisations, providing entertainment by small groups of musicians to patients, residents and families within a hospital or care facility.

QSO excels at engaging with young people across the State. From Kiddies Cushion Concerts – *Meet the Orchestra at the Musical Zoo* and *Snowy Christmas Capers* to Primary and Middle Schools programs, Secondary Showcase, school partnerships, master classes, school concerts and competitions – we motivate and inspire the youth of Queensland to enjoy and experiment with the world of music. Our Open Rehearsals give students an inspiring look into a day in the life of a symphony orchestra musician and our new partnership with contemporary music ensemble Topology gives the opportunity to develop compositional techniques – all valuable ways to encourage aspiring musicians.

2011 was a year of high intensity for everyone at QSO and my appreciation goes to Patrick Pickett, each and every musician and our administration and management staff for their dedication and tireless commitment. Again this year we experienced the magnificent synergy between our Chief Conductor Johannes Fritsch and our musicians. Johannes' leadership continues to inspire QSO.

During the year, we secured pledges in excess of \$2 million for our contribution to our new home at South Bank through a concerted fund raising effort. We are indebted to the many private donors who willingly and generously responded to our request for support. We expect to re-locate to our new home later in 2012.

On behalf of the Board, I thank and acknowledge our sponsors and corporate partners who continue to make QSO a key part of their businesses, to the State and Federal Governments for their support which is vital to our continued success and in particular to our loyal subscribers for their extremely valuable contribution to QSO.

To my fellow Board members thank you for your tremendous support, your time and effort throughout the year.

Greg Wanchap
Chairman



CEO'S REPORT

The Queensland Symphony Orchestra (QSO) has continued to provide the highest quality of symphonic music to the people of Queensland throughout 2011. The artistic collaboration QSO has with Opera Queensland and Queensland Ballet and so many additional companies continues to extend the excellence in music making to an even wider audience and musical *genre*.

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The exciting opportunity to move to our new studio in 2012 has ignited a number of challenges for the company during the year and I'm pleased to say the outcome has been highly successful. There was always the potential for the company to be distracted from normal business and the need to continue to maintain the standard philanthropic levels of giving. Our patrons, donors and supporters have provided outstanding support and I'm proud to say that during this time our private giving (not related to the Building campaign) has continued to grow.

The Orchestra has continued to grow and develop under our Chief Conductor *Maestro* Johannes Fritzsich. I have been thrilled with the quality of musicians QSO has been able to audition and recruit to the Orchestra during this time. Such growth in positive new members has brought enhanced music making capabilities and a positive spirit of excellence within the Orchestra. Our Principal Guest Conductor Eivind Aadland along with so many of our guest conductors and artists have combined with this artistically rich and talented Orchestra to bring an amazing array of magnificent music to our audience.

There has been a positive development in the education capabilities and relationships being entered into by QSO. The growth in the quality of musicians competing in the Young Instrumentalist Competition led to the designing and production of the film *Prelude* which follows the experiences of the young contestants as they compete for the opportunity to perform with QSO. In 2011 Catherina Lee was the winner of the competition. The film portrayed her sensational performance of the first movement of the Tchaikovsky's 1st Violin Concerto with QSO. This film premiered at the Brisbane International Film Festival in 2011 to rave reviews.

In 2011, I have been grateful for a team of dedicated and talented staff who have worked tirelessly to ensure the Orchestra is empowered to work at their optimum level. With a large and diverse program the entire team have focused on selling well designed and exciting programs, strong marketing strategies and brand awareness and our highly capable Development and Philanthropic staff has provided positive results that have enabled better relationships and stronger financial outcomes. I want to ensure every musician and staff member knows how valuable they are to the success of QSO so I publicly thank them in this report.

QSO moves into 2012 knowing it has a great sounding Orchestra along with a Board and Management team that can continue to take the company on this exciting journey. I encourage our patrons on a regular basis to not miss the next concert because it's going to be sensational; they all are. Why not join us?

Patrick Pickett CSM
Chief Executive Officer



CHIEF CONDUCTOR'S REPORT

In 2011 the Queensland Symphony Orchestra continued to build on the success of previous seasons, presenting repertoire which spanned more than three centuries and ranged from the choral works of Handel to the jazz-influenced cello concerto of Gulda.

In 2011 the Queensland Symphony Orchestra (QSO) continued to build on the success of previous seasons, presenting repertoire which spanned more than three centuries and ranged from the choral works of Handel to the jazz-influenced cello concerto of Gulda. We continued our tradition of bringing internationally acclaimed soloists to Brisbane by engaging an eclectic and exciting selection of the world's most eminent performers. The season offered something for everyone, whether a long-time concert-goer or someone just starting out on a journey of discovery into the world of classical music.

Our Maestro series featured performances by pianists Michael Endres (Germany), Sergio Tiempo (Argentina), Nikolai Demidenko (Russia) and Cedric Tiberghien (France). Also joining the orchestra were violinists Jack Liebeck (UK) and Chuanyun Li (China), cellist Mats Rondin (Sweden) and tenor Steve Davislim (Australia).

A feature of the season was QSO's presentation of the fifth symphonies of Prokofiev, Dvorák, Mahler, Tchaikovsky, Beethoven and Bruckner. A fifth symphony captures the unique voice of a mature composer and, for me, our performance of Bruckner's Symphony No.5 in Maestro 7 *Bruckner's Cathedral of Sound*, along with Beethoven's wonderful Piano Concerto No.2 with Australian pianist Duncan Gifford was an inspiring and exciting highlight. Following the release of the award winning recording of Franck's *Poeme de l'amour et de la mer*, we invited French conductor Guillaume Tourniaire and Australian tenor Steve Davislim back to QSO to repeat their performance in a program of French music for Maestro 8, *Turmoil and Passion*. In our final Maestro of the year, Maestro 11 *Towards a New Era*, we performed Beethoven's *Consecration of the House Overture*, programed to celebrate QSO's move into our new South Bank home. This program also included Richard Strauss's charming homage to family life, *Symphonia Domestica*, which uses an enormous gathering of orchestral forces to illustrate a day in the life of Strauss's family.

We were proud to join orchestras around the world as we continued the two-year celebration of the legendary composer, Gustav Mahler and the significant anniversaries of his birth

in 1860, and his death in 1911. Continuing our cycle of his symphonies, our Maestro series featured three of Mahler's greatest, led by our Conductor Laureate, Chief Conductor and Principal Guest Conductor.

Our three concert gala series featured collaborations with the other performing arts, with dancers from the Queensland Ballet joining us for *A Ballet Spectacular*, actors from 4MBS Classic Arts Productions for *A Midsummer Night's Dream* and local and international stars of the opera stage for *The Puccini Experience*. As well as our annual seasons with Opera Queensland and the Queensland Ballet, QSO presented two programs with the Australian Festival of Chamber Music where we premiered James Ledger's new arrangement of Strauss's *Four Last Songs*, and four programs as part of the Brisbane Festival, one of which included the world premiere of *Symphonia Eluvium* (Symphony of the Floods), the first symphony of QSO's Composer in Residence, Elena Kats Chernin.

Our education and regional series continued to delight in 2011, reaching audiences throughout the state. We travelled to Maryborough, Gladstone, Rockhampton and Townsville, as well as performing in Caloundra, the Gold Coast and in Toowoomba. We are committed to engaging with audiences throughout the state and enjoy offering concerts and workshops in these areas.

Johannes Fritsch
Chief Conductor

YEAR IN REVIEW

CONCERT ACTIVITY STATEMENT

	2010	2011
QSO Performances (paid attendance)		
Mainstage Brisbane	24,361	29,485
Specials	2,276	-
Regional		
Toowoomba	1,000	1,178
Gold Coast	747	740
Caloundra	197	361
Maryborough	-	698
Gladstone	-	341
Rockhampton	366	222
Mackay	326	-
Townsville (incl. Australian Chamber Music Festival)	464	1,400
Cairns	448	-
Regional Education	977	170
Education	9,031	10,268
	40,193	44,863
Partnerships		
Opera Queensland	29,708	22,580
Queensland Ballet	19,518	15,554
Collaborations		
Brisbane Festival		
Symphonia Eluvium (Symphony of the Floods)	-	835
Opera at the Racecourse	-	4,500
Symphony Under the Stars	4,500	4,500
Maria De Beunos Aires	-	2,165
Queensland Music Festival	-	1,200
QSO RSL ANZAC concert	2,400	1,800
ABC Symphony Australia Young Performers Awards	883	557
University of Queensland Flood Relief Concert	-	1,000
Prince William Flood Relief Concert	-	800
Education Professional Development Day	300	300
Commercial hires	40,300	16,200
Total access	137,802	116,854
Number of renewing and new subscribers (packages)	2,826	2,873
Number of single ticket buyers	23,753	26,217
Free events	7,783	12,357
Total performances	137	139

PHILANTHROPY

Queensland Symphony Orchestra is proud to acknowledge the generosity and support of our 2011 philanthropic donors. The continued support of passionate individuals is essential for the development of the Orchestra's artistic and community programming.

MAESTRO SERIES CHAIR DONORS

Chair Donors support an individual musician's role within the Orchestra and gain fulfillment through personal interactions with their chosen musician.

Principal Guest Conductor Chair (\$40,000 +)

Mr Trevor and Mrs Judith St Baker and ERM Power

Guest Artist Chair (\$20,000+)

Arthur Waring

Concertmaster Chair (\$5,000)

Warwick Adeney
Prof. Ian and Mrs Caroline Frazer
Dr Cathryn Mittelheuser, AM
Mr John and Mrs Georgina Story

Principal Chairs (\$3,000)

Dr Philip Aitken and Dr Susan Urquhart – *Tim Corkeron, Timpani*
Dr Ralph and Mrs Susan Cobcroft – *Yoko Okayasu, Viola*
Peggy Allen Hayes – *Tim Corkeron, Timpani*
Leonie Henry – *Gail Aitken, Second Violin*
Mr Martin and Mrs Andrea Kriewaldt – *Sarah Wilson, Trumpet*
Frances and Stephen Maitland – *Jason Redman, Trombone*
Nola McCullagh – *Alexis Kenny, Flute*
Dr Graham and Mrs Kate Row – *David Montgomery, Percussion*

Player Chair (\$1,500)

Dr Julie Beeby – *Matthew Kinmont, Cello*
Dr David and Mrs Janet Ham – *Matthew Jones, Cello*
Desmond B Misso Esq. – *Janine Grantham, Flute*
Mrs Rene Nicolaidis, OAM and the late Dr Nicholas Nicolaidis, AM – *Helen Poggioli, Viola*
Mr Jordan and Mrs Pat Pearl – *Delia Kinmont, Violin*
Dr Graham and Mrs Kate Row – *Stephen Phillips, Violin*
Anne Shipton – *Andre Duthoit, Cello*

Anonymous – *Brenda Sullivan, Violin*
Anonymous – *Brian Catchlove, Clarinet*

ENCORE ANNUAL GIVING

Encore Annual Giving Donors support the orchestra's community outreach and education initiatives, the purchase of essential orchestra equipment and the engagement of the finest Australian and international conductors and artists.

Symphony (\$2,000-\$4,999)

Dr Julie Beeby
Shirley Cloete
Ms Marie Isackson
Nola McCullagh
Ms Pamela and Dr Les Masel

Concerto (\$1,000 - \$1,999)

Mrs Iris Dean
Mrs Elva Emmerson
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Mrs Gwenda Heginbothom
Justice Anthe Philippides
Mr Patrick Pickett, CSM
Pat and Jude Riches
Mrs Gwen Warhurst
Mr Rodney Wylie
Anonymous (3)

Suite (\$500 - \$999)

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Mrs Leah Perry
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Mr Michael and Mrs Helen Sinclair
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Mr Ron Stevens, OAM and the late Mrs

Toni Stevens
Dr Damien Thomson and Dr Glenise Berry
Prof. Hans and Mrs Frederika Westerman
Anonymous (5)

Overture (\$150 - \$499)

Ms Louise Ahern
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Ms Lesley Angus
Ms Trudy Bennett
Mrs Janelle Berlese
Mrs Jane Buchanan
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Mrs Georgina Byrom
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Mr Avon Phillips
Mr Goetz and Mrs Helga Puetter
Heidi Rademacher
Dr Phelim and Mrs Eileen Reilly
Evelyn Rogers
Dan and Barbara Styles
Mr Ian and Mrs Hannah Wilkey
Anonymous (29)

Fanfare (\$2 - \$149)

Ms Penny Ackland
 Ms Lucy Adamek
 Mr William and Mrs Patricia Adams
 Mrs Natasha Agil
 Mrs Anne Allan
 Mrs Georgina Anderson
 Mrs Kay Anderson
 Ms Donna Atkins
 Mr Trevor H. Bacon and Mrs Janet Bacon
 Ms Jeannette Baker
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 Mrs Monica Bell
 Mrs Louanne Benecke
 Ms Trudy Bennett
 Ms Janet Berkholz
 Mr Edmond Blair
 Susan Blake
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 Mrs Gail Boldery
 Mrs Christine Maxwell Bonney
 Mrs Nancy Bonnin
 Mrs Maxine and Mr Alan Borinetti
 Mrs Agnes Boross
 Miss Diane Bowman
 Ms Louise Bowman
 Mrs Carolyn Boyle
 Mrs Jennifer Brennan
 Mrs Barbara Brice
 Deirdre A Brown
 Miss Wendy Brown
 Mrs Doreen Bruce
 Dr Michele Burford
 Miss Cynthia Burnett
 Mrs Ailsa Byrnes
 Miss Alison G Cameron
 Mr Richard and Mrs Janice Campbell
 Mrs Robyn Carl
 Ms Judith Casey
 Ms Kerrel Casey
 Mrs Heather Castles
 Dr Angelo Cavallaro
 Dr Alice Cavanagh
 Mrs Luciana Cedro
 Mrs Jenny Clapham
 Ms Rae Clark
 Mr Norman Clarke
 Mr John and Mrs Jessica Clegg
 Dr Ralph and Mrs Susan Cobcroft
 Miss Marie Connor
 Mr Hans Conrad
 Maddy and Milly Copson
 Mr Gordon and Mrs Heather Coutts
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 Mr William Cramp
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 Mr Ken Kennett
 Ms Janine Kesting
 Miss Cathryn King
 Mrs Noela Klingsch
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 Ms Sharyn Leafe
 Mrs Jean Leary
 Mrs Isabel Lee
 Mrs Margaret Liley
 Miss Dulcie Little
 Mr Russell Lock
 Ms Jennifer Lockwood
 Mrs Janice Lose
 Ms Marianne Louey-Gung
 Mrs Sylvia Love
 Ms Helen Lucas
 Mrs Lesley Luck
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 Mr David and Mrs Pat Magee
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 Miss Dorothy Marsden
 Miss Mary Marshall
 Ms Sheila Marshall
 Mrs Jennifer Martin
 Miss Joan Martin
 Ms Fay Matheson
 Ms Therese McCabe
 Ms Helen McEwen
 Mr Paul Merry
 Mrs Gertrude Meschers
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 Ms Katrina Panitz
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 Ms Gillian Pauli
 Ms Diana Paulin
 Mrs Susan Peatey
 Ms Susan Penn-Davies



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 Mrs Julie and Mr Hank Woning
 Mrs June Wood
 Miss Fiona Woodhouse
 Ms Jeanette Woodyatt
 Ms Harmony Woollett
 Sr Ruth Wyattte
 Ms Francis Young
 Mrs Fran Zajacek
 Anonymous (84)

INSTRUMENT GIFTS

QSO thanks Mr Brennan Keats and the National Instrument Bank for the generous loan of a Smith Violin for the 2011 QSO Young Instrumentalist Winner.

PHILANTHROPY



BUILDING FOR THE FUTURE CAMPAIGN

The QSO acknowledges the following donors who have contributed to this campaign.

Harold Mitchell, AC
The Pidgeon Family

John B Reid, AO and Lyn Rainbow-Reid
The Bank of Queensland
Greg and Jan Wanchap
Arthur Waring
Anonymous (1)

Jellinbah Resources
Mr John Story
Rodney Wylie

Prof. Edgar Gold, AM CM and Prof. Judith Gold, CM
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Gwenda Heginbotham
Brendon and Shelli Hulcombe
Bob and Joan James
Tony Keane and Patricia Holt
In memory of Mrs Rosalie R Martin, AM
Nola McCullagh
Dr Damien Thomson and Dr Glenise Berry
Helen Zappala

Janette Mary Anderson
David and Judith Beal
Mrs Valma Bird
Susan Blake
Mrs Ruth Bowles
Dr Gordon Bowman
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Colleen Vanderstaay
Ray and Penny Weekes
Margaret White
In memory of Cyril Williams
Judith Williams
Edna Winkel
Patricia Winnett
Bill Yarrow
Anonymous (49)

“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it’s the only thing that ever has.”

Margaret Mead, 1992



The new home of QSO at South Bank, designed by Richard Kirk Architect Pty Ltd.

OUR PARTNERS

GOVERNMENT PARTNERS



CORPORATE PARTNERS



MEDIA PARTNERS



CO-PRODUCTIONS



QSO thanks our partners for their support.

QUEENSLAND SYMPHONY ORCHESTRA 2011



CONCERTMASTER

Warwick Adeney

ASSOCIATE CONCERTMASTER

Alan Smith

VIOLIN 1

Margaret Connolly ^
Linda Carello
Lynn Cole
Priscilla Hocking
Ann Holtzapffel
Stephen Phillips
Rebecca Seymour
Joan Shih
Brenda Sullivan
Stephen Tooke
Brynley White

VIOLIN 2

Gail Aitken ~
Wayne Brennan ~
Jane Burroughs
Faina Dobrenko
Simon Dobrenko
Delia Kinmont
Tim Marchmont
Frances McLean
Paulene Smith
Helen Travers
Harold Wilson

VIOLA

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Bernard Hoey +
Irene Garrahy
Kirsten Hulin-Bobart
Jann Keir-Haantera
Helen Poggioli
Graham Simpson
Paula Stofman
Nicholas Tomkin

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Kathryn Close
Andre Duthoit
Matthew Jones
Matthew Kinmont
Jennifer Mikkelsen Stokes
Kaja Skorka
Craig Allister Young

DOUBLE BASS

John Fardon ~
Dushan Walkowicz >>
Ken Poggioli
Anne Buchanan
Michael O'Loghlin
Paul O'Brien

FLUTE

Alexis Kenny ~
Hayley Radke >>
Janine Grantham

OBOE

Sarah Meagher ~
Amelia Coleman*
Alexa Murray

CLARINET

Irit Silver ~
Brian Catchlove +
Kate Travers
Nick Harmsen*

BASSOON

Nicole Tait ~
David Mitchell >>
Evan Lewis

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Malcolm Stewart ~
Peter Luff >>
Ian O'Brien*
Vivienne Collier-Vickers
Lauren Manuel

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Richard Madden >>
John Gould
Paul Rawson

TROMBONE

Jason Redman ~
Dale Truscott >>
Tom Coyle*

TUBA

Thomas Allely*

HARP

Jill Atkinson*

TIMPANI

Tim Corkeron*

PERCUSSION

Dave Montgomery ~

- ~ Section Principal
- ^ Acting Principal
- * Principal
- ~ Acting Section Principal
- >> Associate Principal
- + Acting Associate Principal

MANAGEMENT TEAM 2011



Chief Executive Officer

Patrick Pickett CSM

Personal Assistant to the CEO

Erin McAlicee to August 2011
Ros Atkinson from September 2011

Senior Administration Co-ordinator

Marjorie Griffiths

Administration Officer

Alison Barclay (on Maternity Leave March -November 2011)
Di Mercieca (March-April)
Megan McGovern (April-October)

Chief Financial Officer

John Waight

Accountant

Sandy Johnston

Accounts Payable Officer

Donna Barlow*

Director - Artistic Planning

Richard Wenn

Assistant Artistic Administrators

Nicola Manson
Kate Oliver

Education Liaison Officer

Samantha Cockerill ~

Education Intern

Jaime Burke*

Director - Orchestra Management

Matthew Farrell

Orchestra Manager

Nina Logan

Operations Coordinator

Ashleigh Ellson

Orchestra Librarian / OH & S Coordinator

Judy Wood

Assistant Librarian / Artist Liaison

Fiona Lale*

Production Manager

Peter Laughton

Production Assistant

Vincent Scuderi

Director - Philanthropy

Gaëlle Lindrea

Philanthropy Officer

Nicole Small (to May 2011)
Birgit Willadsen

Director - Development and Sales

David Martin

Relationships Coordinator

Megan Steckly

Director - Marketing and Communications

Rachael Wallis

Marketing Officer

Tegan Ward

Marketing & Media Relations Officer

Kendal Alderman

Public Relations Assistant

Miranda Cass*

Human Resources Manager

Renaë Long (to March 2011)
Sarah Caruso (May-October 2011)

* Part time

~ Funded with the Assistance of the Queensland Department of Education and Training

PERFORMANCE MEASURES & INDICATORS

The Queensland Symphony Orchestra's 2012-2014 Business Plan details specific performance indicators for each of its six Success Factors. Details of progress towards these areas are outlined below.

1. Our audience

To achieve and maintain high audience satisfaction. Continual growth in audience attendance and breadth of repertory

The QSO audience grew by nearly 20% for the Maestro subscription series in 2011. We continue to build audience growth by mixing great works with lesser known masterpieces to build the trust of our various audiences and their support for future new and diverse repertory for QSO programmes.

Our collaboration with artists outside our art form included a number of successes such as the partnership with the Queensland Music Festival and Randy Newman, support orchestra for John Williamson, The Whitlams and country and western superstar Kenny Rogers. For a second year QSO created the ANZAC Eve Concert in collaboration with the RSL (Queensland Branch) and played to the biggest audiences of the year for Brisbane Festival's Opera at the Racecourse (*La Traviata*) and Symphony Under the Stars, both at Ascot Racecourse. The season was more diverse than ever and set new standards in all areas.

Series outline:

Maestro: This series offers premier artists with international profiles, plus major orchestral repertory suitable for large orchestras. Particular highlights were the debuts of Sergio Tiempo and Jack Liebeck, the return of QSO favourite Nikolai Demidenko with Prokofiev's Concerto No.2, tenor Steve Davislim's sublime performance of Chausson (which received accolades from around the world as a recording with the QSO for the Melba label) and the return of the virtuoso violinist Chuanyun Li. Conductors Fritsch, Aadland and Tang continued the QSO Mahler cycle with magnificent performances of Symphonies No.4, 5 and 6. Edvard Tchivzhel's sell out concert of Rachmaninov's Symphony No.2 was another outstanding highlight of the season.

Choral Classics: The choral series featured the requiems by Brahms and Fauré and the annual presentation of Handel's Messiah. This separation of choral music into a stand alone series was made for logistical reasons in the 2011 season.

Gala: Celebrity artists and concept programs with themes are designed to attract people who have not traditionally attended this celebratory series of concerts. The Puccini Experience featured seven singers, including the international star tenor Simon O'Neill. O'Neill was partnered with six Australian based singers to perform extracts from all 12 Puccini operas. A Ballet Spectacular was a collaboration with Queensland Ballet and highlighted a number of scenes and dances by François Klaus. Midsummer Night's Dream was an artistic triumph that used the QSO musicians on stage as the base for dramatic action. The actors from 4MBS Classic Arts Productions directed by Tama Matheson were excellent and the project is scheduled for a repeat in 2012.

Music on Sundays: These morning concerts are aimed at a diverse audience, including families, and introduce music that is lesser-known but accessible. Presenter Guy Noble has become a key attractor to this series with his light and engaging style. Strong programme themes, great music, rising and established star guests, top quality conductors and the inimitable Guy Noble have ensured further sales growth for this series in 2011, near capacity houses are now normal for this Sunday morning series.

20/21: Another three-concert series championing diverse and challenging repertory from the last hundred years. These concerts feature Australian composers in conjunction with distinguished international composers. The 20/21 series in 2011 featured QSO's Composer in Residence Elena Kats-Chernin. Her music featured in all three concert programmes and the QSO premiered several new works. Richard Meale's *Voss Suite* and Brett Dean's *Ariel's Music* were also included in the programming. Particular highlights were Kats-Chernin's *Selenite City* and *For Richard...* (in memory of the late violinist Richard Pollett).

Thursday Morning Masterworks: This series presents classical repertory presented in a popular morning concert timeslot. These concerts are aimed at QSO's traditional subscribers, providing an opportunity for people to attend cultural events during the day. The audience growth for this series has been impressive with sales doubling the 2010 season levels and further growth strongly expected into 2012 and beyond. Principal Guest Conductor Eivind Aadland gave two memorable concerts in this series that helped consolidate the success of this daytime series by showing that the QSO take this audience base seriously and offer top quality repertory, conductors and soloists. The performances of Saint-Saëns' Organ Symphony and Tchaikovsky Symphony No.4 were stand out concerts.

Marketing collateral differentiates each different series and focuses on sales opportunities. Particular series were presented on key days of the week to maximize accessibility to all audience segments. Other concerts were presented at different times of the day to appeal to a wide cross-section and develop new markets.

The QSO's Annual Survey was completed in collaboration with a QUT Master's Student and based on work by the Australia Council. It provided the following information about satisfaction.

Of the 97 respondents:

- 96% of customers replied that they were satisfied with the Orchestra overall;
- 95% of respondents perceived the artistic quality of the Orchestra as satisfactory;
- More than 95% of respondents were satisfied with the overall orchestra experience and value for money regarding the orchestra, and more than 95% of respondents were loyal to the Orchestra.

2. Our art

To achieve and maintain high artistic standards

Our Board of Directors regularly discuss artistic issues. QSO's Director - Artistic Planning (DAP) attends and appraises all QSO concerts to provide feedback on guest artists and programming choices, as well as orchestral ensemble and style. He also attends the regular musician-appointed Players Artistic Committee meetings to discuss and provide feedback on these issues, as well as consult on future artistic programming plans. Comprising members of the Board with musical background and knowledge, the Board Artistic Committee meets regularly with the CEO, DAP and Chief Conductor (when available) to ensure that artistic considerations are taken into account and form part of the basis for decisions that are made about the company's future direction.

The DAP, Richard Wenn, reports monthly to the Board on programming matters, such as the content of each new season's program, including the number and style of concerts in each season, international and Australian artists to be invited to perform with the Orchestra and similar matters.

QSO's mission "to Touch the Hearts and Minds of all Queenslanders through Music" is deeply embedded in the artistic planning within the company. Our DAP ensures that the Orchestra continually reaches people in all sectors of the Queensland community, not only through QPAC Concert Hall performances, but through free community concerts such as the ANZAC concert. QSO also engages the community with regional concerts in places such as Townsville, Rockhampton and Gladstone, as well as through ABC recordings which are broadcast through ABC Classic FM throughout Australia.

The DAP has extensive Australian and international programming experience and creates the Orchestra's strategic plan for each season, with the ongoing development of the artistic vision a part of the company mission statement. The artistic plan manages the challenges faced as a Major Performing Arts organisation. This includes the requirement to work with the Opera and the Ballet as well as imperatives to tour and share music in educational and workshop settings while also maintaining financial responsibility and taking advantage of commercial hire offers.

The audience has been variously stimulated, challenged, engaged and entertained at QSO concerts. The organisation regularly receives feedback in several different forms: comments at a performance, the enthusiasm of the applause and any standing ovations at a concert, as well as more formally in the form of email and letters to our artistic team. These various forms of feedback are valuable and noted by the Director - Artistic Planning and management within the context of future planning.

QSO relies on several external processes as indicators of artistic vibrancy. One of the most reliable measures is the willingness of conductors and guest artists to accept - or sometimes actively pursue - return engagements with QSO. This is an endorsement of our professional status as an orchestra of a certain calibre.

QSO has had healthy, frank and positive verbal feedback from experts and peers.

Concerts were regularly reviewed in the major daily papers such as *The Australian* and *The Courier Mail*, as well as in the regions in which we performed. All of the reviews received in the 2011 season were positive, which was very encouraging for the Orchestra and management team. QSO has a strong partnership with 4MBS Classic FM which also includes reviews, ideas, advice and support on programming and vision.

Performance of the Orchestra as a whole is regularly monitored and it has been receiving feedback, internally as well as externally, that they are playing very well under the baton of Chief Conductor Johannes Fritzsich.

Programming choices aimed to build and develop the existing conservative audience while challenging them creatively. The artistic team wanted to expand the knowledge and appetites of the Brisbane audience without risking alienation. Symphonies and concerti by famous composers that are heard less frequently were chosen as part of this plan.

The DAP also aimed to program concerts with as wide a palette as possible across all genres, periods and styles. The 20/21 Series highlights contemporary works, the Choral Classics Series presents some of the great choral repertoire and the Gala Series showcases the interplay between orchestral music and other art forms. Daytime presentations in the Music On Sundays and Masterworks Series are very popular and QSO maintained the Maestro Series as the home for the greatest and largest works.

Another programming aim was to present high calibre conductors in all main series concerts, thus maintaining a constant level of orchestral excellence throughout the season. This was also achieved by inviting leading international soloists, from the wonderful Sergio Tiempo to violinist Chuanyun Li. Emerging Australian talent was supported through engagements with opera singers Kang Wang, Milica Ilic, Emily Burke and Hayley Sugars.

Artistic input has been incorporated into the annual marketing campaigns, with the artistic department providing support for brochure design and copy writing. This has improved audience reaction and ultimately sales to concerts by ensuring advertising is in keeping with the style and essence of the programming.

QSO performed music by the following Australian composers:

- Elena Kats-Chernin: *Symphonia Eluvium (Symphony of the Floods)* (world premiere), *Re-Collecting ASTORoids*, *Russian Rag*, *Village Idiot* (orchestral premiere), *Golden Kitsch*, *For Richard...* (world premiere), *Selenite City* (Australian premiere)
- Sean O'Boyle: *Miniatures*
- Steve Button: *Heros of a new generation*
- Richard Meale: *Voss Suite*
- James Ledger's arrangement of Richard Strauss's *Four Last Songs*
- Brett Dean: *Ariel's Music*

QSO Performed with the following Australian soloists:

- Emily Burke
- Nicole Car
- Henry Choo
- Laura Coall
- Steve Davislim
- Paul Dean
- Rachelle Durkin
- Claire Edwardes
- Paul Fitzsimon
- John Fisher
- Duncan Gifford
- Kiandra Howarth
- Liam Viney
- Anna Grinberg
- Milica Ilic
- David Hibbard
- Deborah Humble
- Monique Latemore
- David Montgomery
- Alex Miller
- Douglas McNicol
- Guy Noble
- Benjamin Northey
- Lachlan O'Donnell
- Anna Smith
- Elizabeth Smalley
- Hayley Sugars
- Natalie Peluso
- Oliver She
- Sarah-Grace Williams
- Nicholas Carter
- Lachlan O'Donnell
- Kang Wang
- David Wakeham
- Christopher Wrench
- Samuel Johnson
- Sarah Wilson
- Warwick Adeney
- Louise Page
- Lisa Gasteen
- Amy Dickson
- Goldner String Quartet

QSO performed with the following international conductors:

- Johannes Fritzsich
- Guillaume Tourniare
- Edvard Tchivzhel
- Eivind Aadland
- Nicholas Braithwaite
- Rita Paczian
- Andrew Mogrelia
- Marco Zuccarini
- Muhai Tang
- Marc Taddei

QSO performed with the following Australian conductors:

- Guy Noble
- Benjamin Northey
- Sarah-Grace Williams
- Paul Fitzsimon
- Warwick Potter

International soloists engaged included:

- Rudolf Koelman
- Mats Rondin
- Jack Liebeck
- Michael Endres
- Natalia Lomeiko
- Yuri Zhislin
- Sergio Tiempo
- Nikolai Demidenko
- Cédric Tiberghien
- Chuanyun Li
- Dorthée Jansen
- Josef Spacek
- Michael Collins
- Rivka Golani
- Louise Hopkins
- Philippe Graffin
- Danny Driver
- Ariya Sawadivong
- Simon O'Neill

QSO performed the following choral works:

- Faurè Requiem
- Brahms Requiem
- Handel Messiah
- Mendelssohn's *Midsummer Night's Dream*
- Various works for ANZAC Eve and Not the Last Night of the Proms concerts

With the following choirs:

- The Brisbane Chorale
- The Queensland Choir
- Canticum Chamber Choir
- Noosa Chorale
- University of Queensland Choir

Brisbane Festival collaborations included:

- Gala - Elena Kats-Chernin - *Symphonia Eluvium (Symphony of the Floods)*, Avner Dorman's *Variations without a Theme*, John Adams - *Grand Piano Music*
- Evgeny Kissin's Liszt Anniversary Recital, his Australian debut
- Piazzola's *Maria de Buenos Aries*,
- Maestro 9 (Russian Romance - Rachmaninov and Prokofiev)
- Symphony under the Stars
- Opera at the Racecourse.





QSO appeared in two concerts at the Australian Festival of Chamber Music in Townsville.

The Board Artistic Committee and Players' Artistic Committee play a prominent role in endorsing the artistic output, evaluating activities and approving future artistic direction of the company.

Conductor questionnaires were regularly issued to incorporate musicians' assessments in the overall assessments to ensure input and feedback processes. Regular discussions with the Artistic Committee about recent performances, soloists and presentation standards. Chief Conductor, Johannes Fritzsich meets with section principals and Orchestra management to observe and assess individual members of the Orchestra. There is considerable recognition within the community and organisation that the standard of the Orchestra is growing under the leadership of Chief Conductor Johannes Fritzsich and we are continually striving towards and achieving new artistic heights.

2011 was another year of intensive engagement with Queensland Ballet and Opera Queensland. Opera Queensland presented three seasons (*Tosca, La Fanciulla del West and Così fan tutte*) and Queensland Ballet presented two seasons (*Swan Lake & King Arthur*). In addition there were a number of chamber ensembles involved in various smaller events. QSO's presence has significantly enhanced the artistic outcome of these partnerships. QSO also partnered the Lev Vlassenko Piano Competition for the grand final concert.

Regional Touring

QSO visited Gladstone, Rockhampton, Maryborough, Townsville, the Gold Coast, Caloundra and Toowoomba, taking a series of programs with different themes such as education, flood relief and great symphonic classics.

3. Our stability

To achieve and maintain financial stability

	2010	2011
Net profit as a % of income	3.5%	40.8%
Net profit (excluding building grant) as a % of income	3.0%	5.0%
Gross profit on performances as a percentage	6.2%	0.5%
Ratio of reserves to operating costs	8%	76%
Total sponsorship and philanthropy income	701,359	1,569,271
Total sponsorship and philanthropy income (excl. building donations)	676,359	932,549

QSO attained a profit for the year of \$9,744,056 which included \$9,000,000 in grants from the Commonwealth and State governments towards QSO's new home at South Bank. Excluding these grants, QSO attained a profit of \$744,056 which has further strengthened its financial position.

The major financial commitment for QSO during 2011 was its requirement to raise \$2,000,000 towards its new home with the ABC at South Bank. As at the end of 2011 QSO had reached its target through donations, pledges and interest generated from the building grants. Additionally the Commonwealth and State governments are contributing \$12,000,000 giving a total of \$14,000,000 to be paid to the ABC in instalments of which \$2,000,000 had been paid as at end of 2011. QSO is expected to relocate in the second half of 2012.

Total tickets sold to subscription concerts in 2011 were up on 2010 however due to a lack of special event concerts in 2011 the overall income from box office declined slightly. Similarly, the large orchestral hires that QSO enjoyed in 2010 were not available in 2011 hence there was a significant fall in revenue in this area. A new outbound sales program implemented in October 2010 for the 2011 season has addressed the decline in sales of previous years and provided growth to our subscription concert ticket sales.

There was positive growth in sponsorship during 2011 with total sponsorship of \$752,102 made up of \$642,430 of in-kind sponsorship and \$109,673 of cash sponsorship. This represents growth in total sponsorship of 33% over 2010. Further growth is occurring in 2012 with a number of new cash sponsors coming on board. These sponsors are particularly interested in our regional and educational activities.

Donations of \$636,721 were raised in 2011 towards the new building and a further \$176,410 in non building fund donations were also raised. This represented a 65% increase in non building fund donations on 2010. Significant work has been undertaken during 2011 and continues in 2012 to maximise private giving programs and philanthropic funding support.

QSO continues to maintain tight control over its outlays in order to ensure it remains financially viable and continues to seek ways of increasing profitability from its performances and to grow its revenue base.

4. Our accessibility

To develop and maintain access at reasonable cost

QSO seeks out relevant performance opportunities both in the Brisbane metro and outer Brisbane areas, and also whilst working outside of Brisbane throughout regional Queensland. Through partnerships with key organisations in 2011 QSO has performed at a variety of venues for varied audiences. We build into the planning of our regional tours opportunities for community outreach involving small ensembles. ABC Classic FM recorded QSO concerts for broadcast to audiences who may not be able to attend concerts in person.

QSO has begun to fully explore the rewards of using social media to support business objectives and achieve its online pull marketing strategy.

On Facebook, QSO engaged its following of 1560 people with exclusive behind the scenes information, photos and money-can't-buy competitions. In 2011, QSO also launched its first Facebook Application, Young Instrumentalists, to house a range of information for young instrumentalists across Queensland. This Application was part of a broader digital arts funding grant provided by the Australia Council to engage younger audiences with QSO. During the key project period, 11.02% of new followers to the QSO were aged 13-17 years old.

The QSO's Twitter following and engagement also increased during 2011. By December 2011, QSO had 766 followers on Twitter, up from 420 in 2010. As part of the digital arts funding grant provided by the Australia Council, QSO's first ever live Twitter events were hosted at both the Young Instrumentalist Competition recital and Secondary Showcase concert.

The opportunity to record some more digital media also helped increase the QSO's YouTube following. Over the course of 2011 QSO's YouTube content was viewed 1341, collectively, up from 394 in 2010.

Tune-In (QSO's email newsletter) was distributed to 3700 users fortnightly. During 2011 QSO developed its relationships with a range of affiliates and sponsors to develop the content of Tune-In to ensure content was relevant and fresh for subscribers.

The QSO website received over 69,800 visits during 2011, up from 56,782 in 2010.

In 2011 Queensland Symphony Orchestra has continued their commitment "to Touch the Hearts and Minds of all Queenslanders through Music" in their education program. This multi-faceted approach of reaching students of all ages and teachers has continued to be successful, with over 10,000 students attending one of our dedicated education concerts. Many hundreds more were also involved in our school partnership program both in Brisbane and throughout the state. Teachers were able to integrate these performances with curriculum related materials and educational activities.

QSO has maintained effective relationships with a loyal base of teachers through the continuation of the teacher committee and e-newsletter. 290 teachers and other invited guests attended the Queensland Symphony Orchestra's professional development day, the best response to date. Teachers were engaged in sessions with music and entertainment professionals throughout the course of the day including the internationally renowned James Morrison and clarinetist Julian Bliss.



2011 Young Instrumentalist Competition was enhanced through a digital arts funding grant provided by the Australia Council. This grant saw the filming of a documentary titled *Prelude* which had its world premiere at the Brisbane International Film Festival on Friday 4th November. This documentary has also increased the profile of the competition particularly amongst music teachers and students.

QSO's regional touring program reached students and teachers in Rockhampton, Townsville, Gold Coast and Toowoomba, with relevant activities held in most locations. In particular QSO musicians worked with students from The Cathedral School in Townsville along with teachers and students from Toowoomba and the Gold Coast.

The Queensland Symphony Orchestra took on an extended role as part of the biennial Education Queensland Maryborough Music Conference. This conference which includes over 600 music teachers from around Australia provides dedicated professional development activities for music teachers. In 2011 QSO performed an evening concert for conference delegates and general public. It also provided nine instrument specific workshops for teachers and an education concert for all the students attending Maryborough Central State School.

Students and teachers also enjoyed our school partnership programs. This program sees QSO musicians travel to schools to administer a program planned by the music teacher and the ELO. This specific programming enhances and supports current curriculum practices. In 2011, QSO worked with Kenmore State High School, Chapel Hill State School, Indooroopilly State High School, Corinda State High School, Junction Park State School, Norman Park State School along with students from the Gold Coast and Toowoomba and Townsville.

QSO again presented a range of education concerts for school audiences in 2011. Performances included a sold out Secondary Showcase concert, *How Music Works* for middle school students and our very well received primary school concert titled *The Composer is Dead* featuring actor Eugene Gilfedder.

In 2011 QSO introduced two new programs for educational audiences. These were the addition of *Meet the Orchestra – Percussion*, a new series featuring the percussion section of the orchestra, and also featuring the percussion section *Mother Goose Suite*. These two concerts were very well received, with the first featuring a finale which involved around ten education Queensland percussion specialists performing for their students.

In 2011, QSO embarked on their first web conference which was attended by over 20 teachers from around Queensland and interstate. This web conference, on the topic of *Creating Music from Words*, was delivered by Robert Davidson and Nicole Murphy with support from the ELO. Teacher feedback surrounding this event was very favourable and there are plans to continue and increase the number of web conferences into the future.

In 2011 QSO continued to grow the range and breadth of programs offered to Queensland teachers. To help meet this demand an Education intern was appointed around mid-year to provide assistance to the ELO. This arrangement has continued to be a valuable assistance to cope with the extra demands of this successful program.

From Term 3 2011 QSO has embarked on an Artist in Residence project at Brisbane State High School (BSHS). This partnership has a varied approach that includes specialist lessons on Trumpet (Sarah Wilson), Oboe, Bassoon (David Mitchell) and French Horn (Lauren Manuel), as well as opportunities for QSO small ensemble involvement in BSHS functions. One of the most popular aspects of this program has been the opportunity for students to attend QSO performances and hear their mentors in action on the QPAC stage. Demand for tickets has been high, and this really validates the relationship between QSO and BSHS.

QSO increased their reach to tertiary students through attendance at both UQ open days as well as the Griffith University Queensland Conservatorium open day. These open days give QSO a chance to promote Student Subscriptions, which allow students to attend QSO performances at heavily discounted prices. Student rush tickets also continued in 2010/11.

5. Our talent

To create an environment for success

Musician recruitment was managed closely to reflect the artistic development needs of the Orchestra as advised by Chief Conductor, Concertmaster and Section Principals. Vacancies were maintained in three positions to achieve flexibility. Auditions were held for six positions and four appointments were made with three of these still on trial into 2012. One trial carried over from 2010 resulted in termination and one position was not filled.

Training / Development includes and has been delivered on:

- Provision of study leave for musicians
- Support via leave requests for musicians to undertake engagements with external organisations of acknowledged international quality
- Provision of a study scholarship (Ann Hoban Fellowship)
- Choice of conductors throughout 2011 to broaden musicians' exposure and provide on-the-job training in particular styles/genres. For example, Russian music expert Edvard Tchivzhel and French expert Guillaume Tourniare provided training in their areas of expertise.

6. Our leadership

To develop significant artistic and business leadership

The Workplace Integrated Learning (WIL) program is jointly administered with Queensland Conservatorium Griffith University. The Program involved eight Conservatorium students undertaking internships with QSO. Activities included auditions, rehearsal, some performances, library support, marketing support and working with QSO mentors. All students received credit towards their study courses

In 2011 QSO continued its commitment to developing the musicians of the future. Visiting artists Natalia Lomeiko and Yuri Zhislin presented a master class for a group of string students at Griffith University, Queensland Conservatorium of music and Nathan Aspinall, QSO's Conductor in Training, received tuition from many visiting conductors, including Chief Conductor Johannes Fritzsich and Principal Guest Conductor Eivind Aadland. He also participated in a class with Composer in Residence, Elena Kats-Chernin, to help him understand the processes involved in conducting a newly composed piece.

CORPORATE GOVERNANCE

QSO has maintained sound corporate governance during 2011, creating value through accountability and control systems to align with associated risks, in accordance with principles set out by the Tripartite Funding Agreement:

1. Lay Solid Foundations for Management and Oversight
2. Structure the Board to Add Value
3. Promote Ethical and Responsible Decision Making
4. Promote diversity
5. Safeguard Integrity in Financial Reporting
6. Recognise the Legitimate Interests of Stakeholders
7. Recognise and Manage Risk
8. Remunerate Fairly and Responsibly

1. Lay Solid Foundations for Management and Oversight

QSO's Board Charter, addressing recommendations made by MPAB and adopted in 2006, forms the basis of the Board's practice in good governance. Authority is delegated to management according to this charter and the associated business policies that are in effect. These clearly delineate the balance of responsibility between the chair and the executive

Each month the Board receives comprehensive reports on key aspects of the organisation's business. The Finance and Audit Committee is charged with the responsibility of monitoring financial performance and risk and also carefully monitors financial performance, making recommendations to the Board where there is any material capital expenditure or material variation from the budgeted expenditure. The Board then gives final approval for those recommendations. The 2012-2014 Business Plan including the company's 2012 budget was submitted to funding bodies in October 2011, and was received positively. The Risk Management Plan is also presented to the funding bodies with the Business Plan each year.

The organisation has documented key policies and the complete set of Business Policies approved by Board covers most areas.

The proposed performance program and budget is discussed and approved by the Board each year for the year ahead. Monthly financial results and concert performance information are provided to the Board. The Board also gives prior approval to any material capital expenditure that isn't already within the approved operating budget and also gives approval for any material variation from budgeted or forecast expenditure.

A formal induction procedure exists for all new Directors prior to attending their first meeting. It includes provision of an induction manual and delivery of an induction session by the Chairman and/or Deputy Chairman and CEO. This process provides a thorough understanding of the Board Constitution, Charter and delegated authority, as well as a full understanding of legal duties and duties as to the Corporations Law.

QSO also ensures that the executive and senior management have formal job descriptions and letters of appointment describing their term of office, duties, rights and responsibilities and entitlements on termination, if any. A performance review process is currently in place. No single individual has unfettered powers at QSO, as a Delegation of Authority policy is in place to prevent this.

2. Structure the Board to Add Value

QSO has a clear division of responsibility at the head of the organisation - the current governance model is for a non-executive chair and separate CEO. The chair is responsible for leadership of the organisation's Board, for the efficient conduct of the organisation Board's functions and for the briefing of all Board members in relation to issues arising at organisation Board meetings. 2011 saw effective contribution of all Board members in meetings and an effective review and challenge of the performance of management; individual Board members were able to exercise independent judgment during meetings. The relationships between Board members and between the Board, the executive and management are constructive and respectful. From its outset in 2001, the Queensland Symphony Orchestra established a Board of Directors recognising the need for an appropriate mix of skills for efficient and effective management. A Board Skills Matrix was developed and is updated annually to inform decisions regarding new Board appointments to enable it to discharge its mandate effectively. The process for nomination, selection and appointment of non-executive Board members is formal and transparent and consideration is given to the optimum size of the Board which is conducive to making decisions expediently with the benefit of a variety of perspectives and skills. This is a maximum of nine currently, and this is considered appropriate.

Board members are actively encouraged to network at functions and provide sponsorship opportunities through their contacts to best leverage their experience and networks. All of the members are independent.

QSO Holdings Constitution requires the rotation of Board members, ensuring that specific terms for non-executive Board members are set, subject to re-election. The Charter requires an annual performance review of Board to evaluate their performance, collectively, and the performance of any Board committees and individual Board members. Board members are encouraged to continue their education to update and enhance their skills and knowledge within the arts through the Board induction and attendance at concerts.

Board Skills Mix at 31 December 2011

Director	Profession	Skills
Greg Wanchap (Chairman)	Business Unit Leader – Wealth Management, Crowe Horwath	Corporate Finance Business Planning Mergers & Acquisitions Corporate Governance
Jenny Hodgson	Senior Producer - Programming Unit, QPAC	Arts Management & Production Facilities & Venue Specialist Previous General Manager of an orchestra
Jason Redman (Artistic Committee)	Section Principal Trombone, Queensland Symphony Orchestra	Orchestral musician
Philip Bračanin (Chairman, Artistic Committee)	Emeritus Professor of Music University of Queensland	Music specialist, composer
Tony Denholder (Finance & Audit Committee)	Partner, Blake Dawson Lawyers	Mergers and Acquisitions Company Law & Governance Resources & Energy Native Title Commercial Law
Tony Keane (Finance & Audit Committee)	Head of Corporate & Institutional Banking, National Australia Bank	Banking & Finance Commerce
John Keep (Chairman, Finance & Audit Committee)	TyTo Corporation	Investment banking and business expansion



Greg Wanchap
Chairman

Greg Wanchap is Principal of Crowe Horwath, Business Advisors and Chartered Accountants. He specialises in advising on merges and acquisitions, corporate structuring, and capital raisings and is an advisor to corporations and privately owned businesses as well as serving on number of commercial and community boards.



Tony Denholder
Finance and Audit Committee

Tony Denholder is a partner in the Brisbane Commercial and Projects Group at Blake Dawson. He specialises in resources law and native title. He also advises on infrastructure development and commercial matters. Tony has advised clients in all mainland Australian States and the Northern Territory on native title aspects affecting the establishment of projects and infrastructure.



Philip Bračanin
Chairman, Artistic Committee

Philip Bračanin studied music and mathematics at the University of Western Australia, where he was awarded MA and PhD degrees for analytical studies of contemporary music. Professor Philip Bračanin retired from The University of Queensland where for nine years he was Dean of the Faculty of Music, and for ten years, Head of Music.



Jenny Hodgson

Jenny Hodgson is a Senior Producer with the Queensland Performing Arts Centre. Previously she worked for the Queensland Philharmonic Orchestra for eleven years, including seven as General Manager, and has undertaken projects with organisations such as the Queensland Conservatorium of Music, Griffith University. She holds a Bachelor of Arts from the University of Queensland, an MBA from the Queensland University of Technology as well as an A.Mus.A and L.T.C.L.



Jason Redman

Artistic Committee

Jason Redman is Principal Trombonist of Queensland Symphony Orchestra. He was appointed to the QSO in August 1990, and has appeared as a soloist with QSO and The Queensland Orchestra at numerous concerts. Jason is also a Churchill Fellow, studying with leading US trombonists in the USA in 1996. Jason has a Bachelor of Music degree from Griffith University.



Tony Keane

Finance and Audit Committee

Tony is Head of Corporate and Institutional Banking Queensland for National Australia Bank. He has worked for nab for over 25 years in various positions in SA, Victoria and Queensland. Tony has a Bachelor of Science (Mathematics) degree from University of Adelaide and a Graduate Diploma in Corporate Finance from Swinburne. He is a Fellow of the Financial Services Institute of Australasia and a Member of the Australian Institute of Company Directors.



John Keep

Chairman, Finance & Audit Committee

John is principal of Tyto Corporation. He is a graduate of Macquarie University with majors in Economics and Financial Studies. In 1993 he completed studies at INSEAD International Management School in France. His experience includes senior management positions across a diverse range of organisations. In 1995 John established TyTo Corporation, a specialist investment firm focusing on business expansion through strategic alliances and related corporate advice. In 2005 he was appointed Director of Operations of Lemarne Healthcare.

Sub-Committees of the Board

Corporate performance is enhanced by the establishment of appropriate sub-committees who meet regularly to provide recommendations and advice to the Board. The sub-committees are: Finance and Audit Committee (which includes risk assessment and management responsibilities) and Artistic Committee. Each committee has established terms of reference.

3. Promote Ethical and Responsible Decision Making

The QSO Board sets the ethical tone and standards of the organisation through its vision and goals. The Board acknowledges the importance of the approved Code of Conduct which is included in its Charter and they ensure senior management implement practices and exhibit behaviours consistent with the required standards. This addresses all matters of ethics and behaviour including the declaration of conflict of interest which is a standing item at each Board and sub-committee meeting. Any declarations are duly minuted and where a significant conflict exists the Director concerned absents his or her self from the meeting while the item is considered. The company also has a Code of Conduct for all employees including key executives, contained in the company's Employee Handbook.

Board members understand their legal obligations and duties and the reasonable expectations of the organisation's stakeholders through the induction process and the QSO Charter.

4. Promote diversity

A diversity policy was approved by the Board in early 2011. It includes information on Aboriginality, gender, age, ethnicity, disability and cultural background. The organisation seeks to establish measurable objectives for achieving diversity by assessing annually both the objectives and progress in achieving them.

5. Safeguard Integrity in Financial Reporting

The Finance and Audit Committee has been set up with its own Terms of Reference and is of sufficient size, independence and technical expertise to discharge its functions effectively. Its members are financially literate and the committee includes at least one member with financial expertise, as demonstrated by relevant qualifications and financial management experience at senior management level in the public or private sector.

Ernst & Young performs the QSO's annual audit to ensure the organisation's financial statements are consistent with Australian accounting standards. The F&A committee reports monthly to the Board on matters pertaining to its role.

6. Recognise the Legitimate Interests of Stakeholders

The Board provides guidance in the development of appropriate policies to ensure legal and legislative obligations to current and prospective internal stakeholders are met (e.g. OH&S, Bullying and Harassment, Equal Opportunity, and Anti-Discrimination). The Board ensures the appointment of suitably equipped executives to meet other company legal obligations.

As QSO's external stakeholders are largely income-providing, company departments are provided with clear responsibility for stewarding specific stakeholder sectors. As such, the CEO's office manages relationships with funding bodies, the Development

& Sales department manages sponsors, the Philanthropy department manages donor relations, and the Marketing department manages customer relations.

The Board releases an Annual Report which provides information to the general public on its artistic and financial performance.

7. Recognise and Manage Risk

The F&A Committee provides advice to the Board on the status of business risks and integrated risk management programs aimed at ensuring risks are identified, assessed and appropriately managed. Major business risks arise from such matters as government policy changes, the use of business information systems, economic climate in relation to sponsorships and donations, action by competitors and their impact on orchestral performances.

Comprehensive practices are established such that:

- capital expenditure and revenue commitments above a certain size obtain prior Board approval
- financial exposures are controlled
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations, and complemented by preventative in-house programs
- business transactions are properly authorised and executed

A Management Statement is signed annually prior to the signing of accounts to manage risks. The organisation's financial reports present a true and fair view of the organisation's financial condition and operational results and are in accordance with relevant accounting standards; the Board passes a resolution regarding this prior to signing the accounts. QSO's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Clear role descriptions and lines of reporting have also been established to address any potential conflict between the fundamental roles of CEO and Chief Conductor in managing day to day issues of an Orchestra. The Director - Artistic Planning reports to CEO who has ultimate authority over artistic decisions.

9. Remunerate Fairly and Responsibly

The Orchestra's Board of Directors are not financially remunerated, however the company has an approved remuneration policy to attract and retain motivated employees. Prior to the appointment of the CEO, CFO and Chief Conductor, their remuneration levels and responsibilities are carefully considered by the Board. As part of the CEO's annual performance appraisal the Board also considers any appropriate increase in remuneration levels.

The Board is committed to supporting management in raising remuneration levels fairly and responsibly within the financial resources of the company and taking into account results linked to performance management and productivity. In 2010, a new EBA was developed and agreed upon for musicians, which provides for salary increases while granting productivity gains for the company. No individual, or management, is directly involved in deciding their own remuneration.

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DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors present their report together with the financial report of Queensland Symphony Orchestra Holdings Ltd (the Company) for the year ended 31 December 2011 and the auditor's report thereon. The financial report represents the consolidated economic entity (group) comprising Queensland Symphony Orchestra Holdings Ltd and its controlled entities, namely Queensland Symphony Orchestra Pty Ltd and Internet Classics Pty Ltd.

DIRECTORS

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

G K Wanchap	Chairman
T Denholder	
J Keep	Chairman of Finance and Audit Committee
J E Hodgson	
P Bracanin	Chairman of Artistic Committee – Resigned 6 March 2012
J Redman	
T Keane	
M Cadman	Appointed 25 January 2012
K Murphy	Appointed 25 January 2012

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			
	Held (A)	Attended (B)	Board		Finance and Audit Committee	
			Held (A)	Attended (B)	Held (A)	Attended (B)
G K Wanchap	2	2	12	12	10	9
T Denholder	2	2	12	7	10	7
J Keep	2	2	12	11	10	9
J E Hodgson	2	2	12	10		
P Bracanin	2	2	12	10		
J Redman	2	2	12	12		
T Keane	2	2	12	11	10	8

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

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

The Board Artistic Committee also meets on a monthly basis.

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 139 performances during the twelve months ended 31 December 2011 including pit services for 47 performances of Opera Queensland and Queensland Ballet, and eight performances as a hired orchestra. The majority of the company's concerts were held in Queensland Performing Arts Centre Concert Hall.

All funding has been spent in accordance with the requirements of the Tripartite Funding Agreement entered into in December 2006.

The financial results for the 2011 year were materially influenced as a consequence of the group recording Commonwealth and State funding of \$9,000,000 towards the South Bank Co-location project. As required by Accounting Standards, this amount has been treated as funding revenue. The net profit for the year to 31 December 2011 including this payment was \$9,744,056 (year ended 31 December 2010 was \$464,198 net profit).

STATE OF AFFAIRS

In the opinion of the Directors, there were no 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.

During 2012 the group will receive a further \$3,000,000 in Commonwealth and State funding towards the South Bank Co-location project. The group will be required to make contributions towards the South Bank Co-location project of \$12,000,000 during 2012 in addition to the \$2,000,000 contribution made in 2011.

At the time of this report the timing of relocation to South Bank is unknown however it is expected to be in the second half of 2012. The current delays in relocation have had an impact on planned performances and revenues.

DIVIDENDS

No dividends were paid or proposed during the financial year.

RESERVES POLICY

Queensland Symphony Orchestra is committed to maintaining cash reserves of a minimum 20% of the company's annual costs. The organisation has adopted a policy of responsible budgeting via close management of costs and gradually increasing revenue streams so that a financially prudent outcome can be achieved.

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 2011. 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 2012. 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.

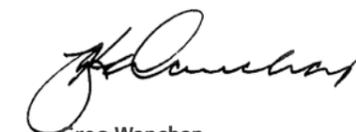
AUDITOR'S INDEPENDENCE

The Directors have received a declaration of independence from the auditor, this report can be found on page 49.

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

28 March 2012
Brisbane

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated		Parent	
		31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
REVENUE					
Funding revenue	2	19,322,947	9,825,799	9,671,817	9,500,799
Ticket sales	3	1,637,175	1,646,315	-	-
Sponsorship and donation revenue	4	1,569,270	701,359	-	-
Orchestral hire		353,965	607,806	-	-
Other revenue	5	1,009,428	588,518	-	-
		23,892,785	13,369,797	9,671,817	9,500,799
EXPENSES					
Impairment loss / (reversal)		-	-	-	(408,034)
Employee expenses	6	9,332,867	8,569,656	-	-
Artists fees and expenses		956,899	774,313	-	-
Marketing expenses		614,050	615,309	-	-
Production expenses		950,610	998,706	-	-
Service fees		217,702	218,108	-	-
Depreciation and amortisation	6	76,037	70,023	-	-
Other expenses from ordinary activities		2,000,564	1,659,484	-	-
Funding expense		-	-	9,671,817	9,500,799
		14,148,729	12,905,599	9,671,817	9,092,765
NET PROFIT/(LOSS) FOR THE YEAR		9,744,056	464,198	-	408,034
Other comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		9,744,056	464,198	-	408,034

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Note	Consolidated		Parent	
		31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	14	1,197,324	3,540,784	-	-
Trade and other receivables	7	248,533	239,538	-	-
Other	8	10,372,834	6,089,751	-	-
TOTAL CURRENT ASSETS		11,818,691	9,870,073		
NON-CURRENT ASSETS					
Property, plant and equipment	9	489,535	425,579	-	-
South Bank lease premium		2,000,000	-	-	-
Investment in controlled entities	10	-	-	985,395	985,395
TOTAL NON-CURRENT ASSETS		2,489,535	425,579	985,395	985,395
TOTAL ASSETS		14,308,226	10,295,652	985,395	985,395
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	11	571,974	602,990	-	-
Deferred revenue	12	1,137,880	6,903,536	-	-
Provisions	13	1,659,665	1,597,875	-	-
TOTAL CURRENT LIABILITIES		3,369,519	9,104,401	-	-
NON-CURRENT LIABILITIES					
Provisions	13	153,092	149,692	-	-
TOTAL NON-CURRENT LIABILITIES		153,092	149,692	-	-
TOTAL LIABILITIES		3,522,611	9,254,093	-	-
NET ASSETS		10,785,615	1,041,559	985,395	985,395
EQUITY					
Retained profits	19	10,785,615	1,041,559	985,395	985,395
TOTAL EQUITY		10,785,615	1,041,559	985,395	985,395

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED	Retained Profits \$	Total \$
As at 1 January 2010	577,361	577,361
Profit for the year	464,198	464,198
As at 31 December 2010	1,041,559	1,041,559
Profit for the year	9,744,056	9,744,056
As at 31 December 2011	10,785,615	10,785,615

PARENT	Retained Profits \$	Total \$
As at 1 January 2010	577,361	577,361
Profit for the year	408,034	408,034
As at 31 December 2010	985,395	985,395
Profit for the year	-	-
As at 31 December 2011	985,395	985,395

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated		Parent	
		31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		3,916,744	3,155,261	-	-
Cash payments in the course of operations		(14,085,724)	(12,954,853)	-	-
Cash payments to subsidiary		-	-	(9,671,817)	(9,500,799)
Grants received from government funding bodies		13,557,796	15,700,431	9,671,817	9,500,799
Payment for lease premium		(2,000,000)	-	-	-
Interest received		643,596	338,663	-	-
Net cash provided by / (used in) operating activities	14(b)	2,032,412	6,239,502	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds for term deposit investment		(4,235,879)	(4,267,903)	-	-
Payment for property, plant and equipment		(139,993)	(98,012)	-	-
Net cash used in investing activities		(4,375,872)	(4,365,915)	-	-
Net increase/(decrease) in cash held		(2,343,460)	1,873,587	-	-
Cash & cash equivalents at the beginning of the financial year		3,540,784	1,667,197	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR					
	14(a)	1,197,324	3,540,784	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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 7 December 2006 and amended on 28 January 2010 and 19 December 2010. 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 Instrument Disclosure
 - AASB 8 Operating Segments
 - AASB 117 Leases
 - AASB 124 Related Party Disclosures
 - AASB 127 Consolidated and Separate Financial Statements

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 2011. 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 (Refer also Note 18).

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 2006. Funding is then transferred onto Queensland Symphony Orchestra Pty Ltd from Queensland Symphony Orchestra Holdings Ltd as required under the Tripartite Agreement.

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.

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) South Bank lease premium

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

The South Bank 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 South Bank 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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 in relation to the year ended 31 December 2011 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.

Internet Classics Pty Ltd was incorporated on 4 October 2007.

n) Going concern

The financial statements have been 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.

The Board monitors this through budget and cash flow management and takes corrective action to increase revenue or minimise expenditure, where required. At 31 December 2011, the group recorded a profit of \$9,744,056 and total assets of \$14,308,226 exceeded its total liabilities of \$3,522,611 by \$10,785,615. Current assets exceeded current liabilities by \$8,449,172. The group is forecasting a profit for the year ended 31 December 2012.

The Board of Queensland Symphony Orchestra Holdings Ltd believes that the group is a going concern and will be able to pay debts as and when they fall due. This is because Queensland Symphony Orchestra Holdings Ltd has entered into a Tripartite Funding Agreement for a three year period commencing 1 January 2012. This funding is on funded to the group to operate the orchestra.

2. FUNDING REVENUE

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Australia Council MPAB annual grant	6,915,348	6,793,072	6,915,348	6,793,072
Australia Council MPAB – dedicated grants	53,000	75,000	-	-
Australia Council MPAB Reserves Incentive Scheme	417,000	-	-	-
Arts Queensland annual grant	2,756,469	2,707,727	2,756,469	2,707,727
Arts Queensland – dedicated grants	63,000	85,000	-	-
Arts Queensland – Co-location Project	9,000,000	-	-	-
Gambling Community Benefit Fund	16,480	-	-	-
Brisbane City Council grant	40,000	40,000	-	-
Grants dedicated – non government	61,650	125,000	-	-
	19,322,947	9,825,799	9,671,817	9,500,799

The Department of the Premier and Cabinet acting through Arts Queensland provided dedicated grants of \$9,000,000 during the 2011 year. The company was eligible for the funding as the conditions of the funding agreement were satisfied during the 2011 year.

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.

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

3. TICKET SALES

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Subscription sales	920,332	802,696	-	-
Single ticket sales	716,843	843,619	-	-
	1,637,175	1,646,315	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

4. SPONSORSHIP AND DONATION REVENUE

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Sponsorship	752,102	564,917	-	-
Guild membership	4,036	5,024	-	-
Donations	813,132	131,418	-	-
	1,569,270	701,359	-	-

5. OTHER REVENUE

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
From operating activities				
Interest income	643,596	338,662	-	-
From outside operating activities				
Other	365,832	249,856	-	-
	1,009,428	588,518	-	-

6. OPERATING PROFIT FROM ORDINARY ACTIVITIES

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

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Depreciation:				
Musical instruments	45,692	40,342	-	-
Office equipment	5,406	7,141	-	-
Furniture, fixtures and fittings	20,397	18,628	-	-
Computer equipment	4,542	3,912	-	-
	76,037	70,023	-	-
Lease rental expense – operating leases	34,759	32,099	-	-
Employee Expenses:				
Salaries & wages	8,106,755	7,403,738	-	-
Superannuation	1,126,351	1,092,999	-	-
Workers compensation	99,761	72,919	-	-
Redundancies	-	-	-	-
	9,332,867	8,569,656	-	-

7. TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
<i>Current</i>				
Trade debtors	65,589	108,235	-	-
Other debtors	182,944	131,303	-	-
	248,533	239,538	-	-

8. OTHER CURRENT ASSETS

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Prepayments	297,493	250,289	-	-
Term Deposit Investments	400,000	1,809,153	-	-
Term Deposit Divestment Fund*	391,831	-	-	-
Term Deposit Reserve Incentive Scheme	1,260,219	-	-	-
Term Deposit South Bank Building Fund	8,023,291	4,030,309	-	-
	10,372,834	6,089,751	-	-

* 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.

9. PROPERTY, PLANT AND EQUIPMENT

	Musical instruments	Office equipment	Computer equipment	Furniture, fixtures and fittings	Total \$
<i>Cost</i>					
Opening balance	589,166	69,279	103,531	226,248	988,224
Additions	105,952	1,670	10,257	22,114	139,993
Disposals	(23,895)	(22,798)	(41,330)	-	-88,023
Closing balance	671,223	48,151	72,458	248,362	1,040,194
<i>Accumulated depreciation</i>					
Opening balance	(275,632)	(60,542)	(98,034)	(128,437)	(562,645)
Depreciation expense	(45,692)	(5,406)	(4,542)	(20,397)	(76,037)
Disposals	23,895	22,798	41,330	-	88,023
Closing balance	(297,429)	(43,150)	(61,246)	(148,834)	(550,659)
Net book value, 31 December 2011	373,794	5,001	11,212	99,528	489,535
Net book value, 31 December 2010	313,534	8,737	5,497	97,811	425,579

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

10. INVESTMENT IN CONTROLLED ENTITIES

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Investment in controlled entities, at cost	-	-	985,395	985,395
(Impairment loss) / Reversal of impairment	-	-	-	-
	-	-	985,395	985,395
<i>Roll-forward of impairment</i>				
Opening balance	-	-	-	408,034
Impairment / (Reversal)	-	-	-	(408,034)
Closing balance	-	-	-	-

11. TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Trade creditors	155,254	72,413	-	-
Other creditors and accruals	416,720	530,577	-	-
	571,974	602,990	-	-

12. DEFERRED REVENUE

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Arts Queensland co-location project funding received in advance	-	3,000,000	-	-
Australian Government co-location project funding received in advance	-	3,000,000	-	-
State funding received in advance	109,592	109,592	-	-
Federal funding received in advance	274,940	274,940	-	-
Brisbane City Council grant received in advance	-	15,000	-	-
Subscriptions received in advance	622,098	438,127	-	-
Other deferred revenue	131,250	65,877	-	-
	1,137,880	6,903,536	-	-

13. PROVISIONS

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
a) Current employee benefits – Note 15	1,659,665	1,597,875	-	-
b) Non-current employee benefits – Note 15	153,092	149,692	-	-

14. 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	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Cash at bank	1,126,683	551,729	-	-
Divestment funds account	-	384,532	-	-
South Bank Building Fund	21,826	2,519,447	-	-
QSO Fund account	5,683	41,066	-	-
Sampson Library	43,132	44,010	-	-
	1,197,324	3,540,784	-	-

Total cash and term deposits at the end of the financial period are \$11,272,665 (at 31 December 2010: \$9,380,246).

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

	Consolidated		Parent	
	31/12/11 \$	31/12/10 \$	31/12/11 \$	31/12/10 \$
Profit/(Loss) from ordinary activities	9,744,056	464,198	-	-
Less items classified as investing/financing activities:				
Loss on disposal of non-current assets	-	-	-	-
Add/(less) non-cash items:				
Charges to provisions	65,190	(198,849)	-	-
Disposal of fixed assets	-	-	-	-
Depreciation	76,037	70,023	-	-
Net cash (used in)/provided by operating activities before change in assets and liabilities	9,885,283	335,372	-	-
Change in assets and liabilities:				
(Increase)/decrease in receivables	(8,995)	(50,073)	-	-
(Increase)/decrease in other assets	(2,047,204)	(49,199)	-	-
Increase/(decrease) in accounts payable	(31,016)	128,771	-	-
Increase/(decrease) in deferred revenue	(5,765,656)	5,874,631	-	-
Net cash provided by operating activities	2,032,412	6,239,502	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

15. EMPLOYEE BENEFITS

	Consolidated		Parent	
	31/12/11	31/12/10	31/12/11	31/12/10
	\$	\$	\$	\$
Current	1,659,665	1,597,875	-	-
Non-current	153,092	149,692	-	-
	1,812,757	1,747,567	-	-

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	
	31/12/11	31/12/10	31/12/11	31/12/10
	\$	\$	\$	\$
Assumed rate of increase in wage and salary rates	3%	3%	-	-
Discount rate	3.81%	5.75%	-	-
Settlement term	10 years	10 years	-	-

At year end, the group employed 98 full-time equivalent employees (2010: 100 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 \$1,126,351 (2010: \$1,092,999) for the group in relation to these schemes have been expensed in these financial statements.

16. AUDITOR'S REMUNERATION

	Consolidated		Parent	
	31/12/11	31/12/10	31/12/11	31/12/10
	\$	\$	\$	\$
Auditing of the financial report	26,000	25,000	-	-
Other services	-	-	-	-
	26,000	25,000	-	-

No other benefits were received by the auditor.

17. SEGMENT INFORMATION

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

18. TICKET SALES

As the group's ticketing agent, Queensland Performing Arts Trust (QPAT) receives monies for ticket sales in advance of the performances. As at 31 December 2011 QPAT held \$82,825 relating to 2012 performances.

19. RETAINED PROFITS

	Consolidated		Parent	
	31/12/11	31/12/10	31/12/11	31/12/10
	\$	\$	\$	\$
General				
Retained profits at the beginning of the year	1,041,559	577,361	985,395	577,361
Net profit/(loss) from ordinary activities for the year	9,744,056	420,188	-	408,034
Retained profits at the end of the year	10,785,615	997,549	985,395	985,395
Sampson Library Trust	-	44,010	-	-
Total retained profits	10,785,615	1,041,559	985,395	985,395

General retained profits reflects the net profit of the group for the financial year.

Sampson Library Trust The funds in this trust are used solely for the maintenance and upkeep of the Sampson music library of which QSO is the trustee.

20. COMMITMENTS

During 2012 the group will receive a further \$3,000,000 in Commonwealth and State funding towards the South Bank co-location project. The group has a contractual obligation to pay \$12,000,000 at Balance Date in respect of the South Bank co-location project in addition to the \$2,000,000 contribution made in 2011. This commitment is expected to be settled within twelve months of 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 2011 was authorised for issue in accordance with a resolution of directors on 28 March 2012.

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

53 Ferry Road
West End QLD 4101

The company's registered office address is:

53 Ferry Road
West End QLD 4101

DIRECTORS' DECLARATION

In the opinion of the Directors of Queensland Symphony Orchestra Holdings Ltd and its controlled entities:

1. the consolidated financial statements and notes, set out on pages 34 to 47 are in accordance with the Tripartite Funding Agreement and the Corporations Act 2001, including:
 - (a) Giving a true and fair view of the Group's and Company's financial position as at 31 December 2011 and of their performance for the year ended on that date;
 - (b) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 to the extent outlined in Note 1.
2. at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Greg Wanchap
Chairman

28 March 2012
Brisbane



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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 2011, 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



Alison de Groot
Partner
28 March 2012

Liability limited by a scheme approved
under Professional Standards Legislation



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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 2011, the statements of comprehensive income, statements of changes in equity and statements of cash flows 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 judgment, 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, a copy of which is included in the directors' report.

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under Professional Standards Legislation



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 2011 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

Alison de Groot
Partner
Brisbane
28 March 2012

“I was impressed very much by high professionalism, strength, flexibility and enthusiasm of the musicians of QSO.”

Maestro Edvard Tchivzhel, Music Director of the Greenville Symphony Orchestra,
Guest Conductor Queensland Symphony Orchestra





Queensland Symphony
Orchestra

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