

Annual Report
2010



Queensland Symphony
Orchestra

“The Queensland Symphony Orchestra ... is winning increasing acclaim from national and international audiences, as an orchestra of distinctive character and style, delivering consistently fine performances, enhanced by sensitive direction and imaginative programming”



Penelope Wensley AC. Governor of Queensland, Patron.

“I acknowledge the great work of Chief Conductor Johannes Fritzsch. We are very fortunate to have an artist of his standing leading our state orchestra”

Anna Bligh, Premier of Queensland



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QUEENSLAND SYMPHONY ORCHESTRA



CHAIRMAN'S REPORT

I am proud to chair a company so committed to world class artistic performances and with such a strong sense of community engagement.

The 2010 year continued to build on the financial stability that is critical to our on going success with a strong surplus of \$464,198 achieved in challenging times. The QSO is well positioned with many positive indicators for our current season with strong subscriber renewals and sponsor support. My thanks to our entire management team lead by CEO Patrick Pickett for their contribution to such a highly successful year.

The Orchestra's new home as part of the ABC complex at the South Bank arts precinct is currently under construction and we look forward with great anticipation to the successful completion of the building and our move in early 2012. Our new home has been made possible through the generous financial support of the Federal and State governments. We have a major challenge during 2011 to raise \$2million as our capital contribution to the building. We are determined to achieve this fund raising goal, which will complete the financial package for our participation in the co-location to South Bank.

Our 2010 season was recognised for its wide diversity in programming – definitely more vibrant and enriching than conservative. A number of first performances were presented to our audiences, the most notable of these was Ralph Vaughan William’s Symphony No.2 “London” in the rare original version. World premier recordings were made of Philip Bračanin’s Fourth Symphony and St Lucia Suite in our first ever collaboration between the QSO, the University of Queensland and the ABC.

Chief Conductor Johannes Fritzsich took the orchestra to even higher levels with his Mahler 150 anniversary presentations of the Seventh Symphony and Das klagende Lied, these set new benchmarks for the Orchestra. Other outstanding Fritzsich performances included Smetana’s Ma Vlast, Bruckner’s Third Symphony and Beethoven’s Symphony No.9.

Many distinguished guest artists and leading Australian artists appeared in the season to the acclaim of our audiences. Kang Wang and Milica Ilic made their hugely successful debuts alongside leading soprano Cheryl Barker, who also joined the QSO for a recording of arias for the Melba label under the baton of Guillaume Tourniaire.

We are particularly proud of the continued success of our education programs for younger children through our Kiddies Cushion Concerts and the numerous workshops and educational concerts for primary and secondary students to provide students with outstanding learning and development opportunities.

Community events and collaborations are essential elements of the annual QSO season. In addition to the QSO’s annual support of the Queensland Ballet and Opera Queensland productions, the orchestra was a key factor in the success of the international renowned Cuban Ballet and for Brisbane Festival’s presentation of Miracle in Brisbane.

I acknowledge and thank our sponsors, donors, corporate partners and Friends for their support in so many practical ways. QSO could not achieve the artistic and commercial outcomes without that continuing support.

In particular I thank the Federal Government, through the Australia Council and the State Government, through Arts Queensland for their ongoing financial commitment to QSO, without that support the orchestra could not continue.

My fellow Board members devote significant time and energy to the work of the Board and I sincerely thank them for their dedication and support in 2010. I make special mention of Janine Walker who retired from the Board at the end of the year. Janine always gave generously of her time and wealth of expertise and I thank her for her support, contribution and commitment.

Above all, to our musicians, thank you for your tireless efforts in bringing to our audience performances that inspire and enrich our lives.

These are exciting times for Symphony Orchestras with many opportunities to meet the challenges that are ever present, through innovative change, embracing new technologies, focusing on our core values and reaching out to our communities to share the magic of music.

I look forward to sharing the talents of the Queensland Symphony Orchestra with you in 2011.



Greg Wanchap
Chairman

CEO'S REPORT



2010 has been a year to consolidate our strengths and build on them for the future. We have enjoyed many successes this year, and we also face challenges as we look to the next few years.

The Queensland Symphony Orchestra is a vibrant and strong organisation that continues to produce acclaimed recordings and performances. Our programming is both balanced and innovative. Our management and staff are committed and dedicated professionals who strive to bring the best concert experience to Queensland communities. We continue to listen to both our current audience and potential audiences to ensure our engagement is relevant and vital, whether we're performing a concert in Cairns or QPAC.

As part of our on-going planning process, we worked with a Business Consultant to create a strategic plan that will take us into new areas. I travelled to North America and England in 2010, engaging with arts company leaders from all over the world. Researching best-practice from those leading the world was a privilege and one that will enable me to bring new ideas to our organisation over the coming years. Long-term sustainability and the need to grow independent support of the organisation are important guiding factors for orchestras throughout the world, and in particular for the Queensland Symphony Orchestra.

We dedicated two concerts in 2010 to two exceptional people. In July, at a special concert honouring his contribution to the music communities of both Australia and Germany, Werner Andreas Albert received an honorary doctorate from the University of Queensland as well as the title of Conductor Emeritus from the Queensland Symphony

Orchestra. Werner Andreas Albert was the Queensland Symphony Orchestra's Chief Conductor for eight years until 1990, and has conducted all six of Australia's state orchestras. In November, we dedicated our performance of Maestro 9 to Rosalie Martin, AM, who served the QSO with distinction as a Board member and Chair of the QSO Advisory Board for 15 years. Rosalie was an inspired participant in the arts in Brisbane and she gave her best to the Queensland Symphony Orchestra.

We were also moved by an exceptional bequest from Dr Alf Howard AM, who was a long-term QSO subscriber, former Arctic explorer, scientist and academic. QSO is honoured to receive this bequest, which will be invested in perpetuity to provide an annual income that will significantly enhance our capacity to deliver community outreach, education, artist engagement and the purchase of instruments. Donations such as these make a real difference to the orchestra.

We look forward to embracing the challenges of 2011 and beyond, and I thank you for your continued support of this exceptional orchestra.



Patrick Pickett csm
Chief Executive Officer

CHIEF CONDUCTOR'S
REPORT



In 2010, I was particularly excited by our first Maestro of the season, Return to Life. Mahler's Symphony No. 7, an opening to the season that took us all on a journey which displayed the orchestra at its best.

The orchestra is building on its success of recent years and several new appointments made in 2010 have strengthened our capacity. Delia Kinmont (Second Violin), Sarah Wilson (Section Principal Trumpet), Amelia Coleman (Principal Cor Anglais), Paul O'Brien (Double Bass) and Evan Lewis (Bassoon) have brought new talent into the orchestra, building the strength of the orchestra as a whole.

In 2010, I was particularly excited by our first Maestro of the season, Return to Life. Mahler's Symphony No. 7 to celebrate Mahler's 150 anniversary and partnering the sensational Paul Dean in a glowing performance of Mozart's Clarinet Concerto, an opening to the season that took us all on a journey which displayed the orchestra at its best.

In a completely different musical mood, the virtuosity of the orchestra was displayed during Maestro 6, The Ultimate Orchestral Showpiece. Hector McDonald, playing the Vienna horn, and the American Horn Quartet both displayed their brilliance in pieces by Strauss, Schumann, Mozart and Bartok.

In a joint collaboration with Opera Queensland, our Gala 3, A Night at the Opera, featured soprano Cheryl Barker and tenor Joshua Bloom in a luxurious night of great arias and ensembles from the diverse operatic world. We also performed Mahler's Das klagende Lied and Smetana's Ma Vlast programme, which were season highlights.

And in the final Maestro concert for the season, Maestro 10, Joy, Bright Spark of Divinity, we presented a challenging juxtaposition of music in a fusion of music and drama in Zimmermann's Ecclesiastical Action, Ich wandte mich und sah, with the demanding music for baritone sung to great acclaim by David Wakeham and acted by John Rodgers and Bryan Nason. Zimmermann's despairing piece was artistically counterbalanced by the joyous Beethoven, marking the triumph of man over life's suffering. A controversial choice, the artistic merit of this concert was very satisfying.

Reaching audiences throughout the state, the orchestra enjoyed touring to Townsville, Rockhampton and Cairns, 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. We hope to expand these offerings in 2011 while we continue to present artistically vibrant and diverse programs to our Brisbane audiences at the same time.



Johannes Fritsch
Chief Conductor

YEAR IN REVIEW

Concert activity statement

	2009	2010
Number of renewing and new subscribers (packages)	3,060	2,826
Number of single ticket buyers - mainstage concerts	26,095	23,905
Number of single ticket buyers - specials	7,194	2,276
Regional	3,949	3,848
Education & Kiddies	12,800	10,008
Total performances in 2010:		134

During 2010 there were fewer opportunities to present special events, resulting in a reduction in single ticket sales.

Regional concerts in 2010:

QSO performed at the Gold Coast, Caloundra, Cairns, Townsville, Mackay, Rockhampton and Toowoomba.

Approximately 4,000 people attended free QSO concerts during 2010, including the ANZAC Eve concert at Suncorp Piazza.

QSO held student workshops in addition to the 25 performances specifically for school aged and university students. 11,051 students attended these performances with an average of 442 seats sold per performance.

The website saw 34,617 Absolute Unique Visitors, with the average time spent on the site two minutes and 42 seconds. Over 58% of the visitors were new to the site, indicating that QSO is reaching many new people this way. The most visited pages were the home page, events page and jobs page. There was a significant increase in visitors to the site late in the year, during the "Ask a Conductor" online event.

ABC Classic FM recorded 28 QSO concerts for broadcast, and QSO recorded Philip Bračanin's Symphony No.4, St Lucia Suite, Centenary Overture and a recital with Cheryl Barker.

Philanthropy

Queensland Symphony Orchestra is proud to acknowledge the generosity and support of our 2010 philanthropic donors. The continued support of passionate individuals is essential for the orchestra's development of artistic and community offerings.

CHAIR DONORS

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

Guest Artist Chairs (\$8,000+)

Mr Arthur Waring – French horn Section, the American Horn Quartet and Hector McDonald

Concertmaster Chair (\$5000) Warwick Adeney

Professor Ian & Mrs Caroline Frazer
Mr John & Mrs Georgina Story

Principal Chairs (\$3,000)

Ms Leonie Henry – Gail Aitken 2nd Violin
Mrs Nola McCullagh – Alexis Kenny, Flute
Ms Janine Walker – David Lale, Cello

Player Chair (\$1,500)

Dr Julie Beeby – Matthew Kinmont, Cello
Desmond B Misso Esq – Janine Grantham, Flute
Anonymous – Brenda Sullivan, Violin

ENCORE APPEAL DONORS

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

Golden Baton (\$5,000+)

Mr Tony Denholder & Mr Scott Gibson
Mr Greg & Mrs Jan Wanchap

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

Ms Marie Isackson
Mr Martin & Mrs Andrea Kriewaldt
Dr Cathryn Mittelheuser AM

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

Balena Tassa Pty Ltd
Dr John & Mrs Jan Blackford
Mrs Iris Dean
Mrs Elva Emmerson
Dr Betty Byrne Henderson AM
Mr Patrick Pickett CSM
Mrs Pat & Miss Jude Riches
Ms Anne Shipton
Ms Gwen Warhurst
Mr Rodney Wylie
Anonymous

Suite (\$500 - \$999)

Dr Philip Aitken & Dr Susan Urquhart
Dr Leone Doyle
Dr William & Mrs Lorna Heaslop
Dr Alison Holloway
Mr Charlie Harrison
Mrs Gwenda Heginbothom
Mr Tony Keane & Ms Patricia Holt
Mr Ainslie Just
Mrs Patricia Killoran
Ms Shirley Leuthner
Mrs Pam & Dr Les Masel
Mrs Kathleen & Dr Henry Nowik AO OBE
Dr Richard & Mrs Awen Orme
Mr Ian Paterson
Mr Jordan & Mrs Pat Pearl
Mrs Leah Perry

Mr Robin Powell
Mr Michael & Mrs Helen Sinclair
Mr Bernard & Mrs Margaret Spilsbury
Dr Damien Thomson & Dr Glenise Berry
Prof Hans & Mrs Frederika Westerman
Anonymous (3)

Overture (\$150 - \$499)

Mr Dallas & Mrs Judith Allman
Mr Paul & Mrs Caroline Balfe
Ms Trudy Bennett
Mrs Valma Bird
Ms Margaret Burke
Mr Roger & Mrs Georgina Byrom
Dr Emanuel Cassimatis
Mrs Jill Chamberlain
Mr David Charlton
Mr Ian & Mrs Penny Charlton
Emer Prof Mat & Irene Darveniza
Mr Laurie Deane
Ms Marilyn George
Mrs Lorraine Gibson
Mrs Ruth Gough
Miss Yvonne Hansen
Miss Barbara Hawken
Lady Barbara Hickey
Ms Jenny Hodgson
Mrs Liesa & Mr Michael Hogg
Mr Geoffrey & Mrs Kay Ilett
Mr John & Mrs Wendy Jewell
Mrs Diana Lungren
Mrs Susan Mabin
Mr Jim & Mrs Maxine MacMillan
Mr David & Mrs Janette Marshall
Dr Howard & Mrs Katherine Munro
Mr Ronald & Mrs Marise Nilsson
Mr Goetz & Mrs Helga Puetter
Mr Jason & Mrs Lois Redman
Dr Phelim Reilly
Mr Spencer Routh
Mr Dan & Mrs Barbara Styles
Mr Allan & Mrs Zena Ward
Ms Jeanette Woodyatt
Anonymous (18)

OUR SUPPORTERS

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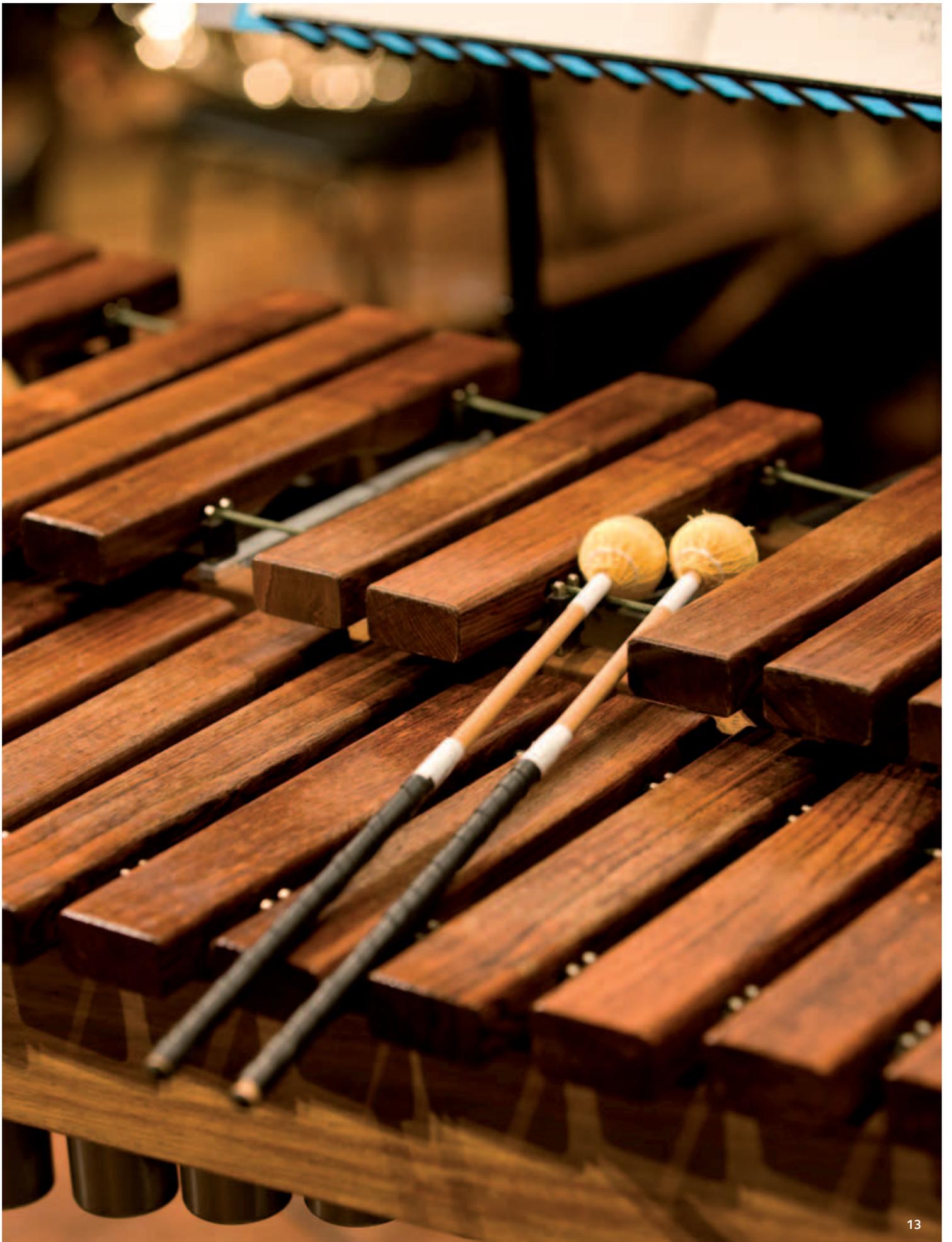


Media Partners



Co-Productions





QUEENSLAND SYMPHONY ORCHESTRA 2010



CONCERTMASTER

Warwick Adeney

ASSOCIATE CONCERTMASTER

Alan Smith

VIOLIN 1

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

VIOLIN 2

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

VIOLA

Yoko Okayasu =
Bernard Hoey +
Raquel Bastos
Irene Garrahy
Kirsten Hulin-Bobart
Jann Keir-Haantera
Susanna Ling
Helen Poggioli
Graham Simpson
Paula Stofman
Nicholas Tomkin

CELLO

David Lale ~
Patrick Suthers +
Kathryn Close
Andre Duthoit
Matthew Jones
Matthew Kinmont
Jennifer Mikkelsen Stokes
Kaja Skorka
Craig Allister Young



DOUBLE BASS

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

FLUTE

Alexis Kenny ~
 Hayley Radke >>
 Janine Grantham

PICCOLO

Paul Dhasmana ^

OBOE

Tania Frazer =
 Sarah Meagher >>
 Alexa Murray

COR ANGLAIS

Amelia Coleman *

CLARINET

Irit Silver ~
 Brian Catchlove +
 Kate Travers

BASS CLARINET

Nicholas Harmsen *

BASSOON

Nicole Tait ~
 David Mitchell >>
 Evan Lewis

HORN

Peter Luff =
 Ian O'Brien *
 Vivienne Collier-Vickers
 Lauren Manuel

TRUMPET

Sarah Wilson ~
 Richard Madden >>
 John Gould
 Paul Rawson

TROMBONE

Jason Redman ~
 Dale Truscott >>

BASS TROMBONE

Tom Coyle *

TUBA

Thomas Allely *

HARP

Jill Atkinson *

TIMPANI

Tim Corkeron *

PERCUSSION

David Montgomery ~
 Andrew Knox >>

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

MANAGEMENT TEAM 2010



Patrick Pickett	<i>Chief Executive Officer</i>	Nicole Small	<i>Philanthropy Officer</i>
Suzanne Kuhl	<i>Personal Assistant to the CEO</i>	David Martin	<i>Director - Marketing & Development</i>
Alison Barclay	<i>Administration Officer</i>	Megan Steckly	<i>Relationships Coordinator</i>
Richard Wenn	<i>Director - Artistic Planning</i>	Rachael Wallis	<i>Marketing Executive</i>
Anne Powell	<i>Assistant Artistic Administrator</i>	Tegan Ward	<i>Marketing Officer</i>
Jody Bell	<i>Assistant Artistic Coordinator</i>	Kirby Leadle	<i>Marketing & Development Assistant</i>
Samantha Cockerill~	<i>Education Liaison Officer</i>	Kate Higgins*	<i>Media Relations Assistant</i>
Matthew Farrell	<i>Director - Orchestra Management</i>	Miranda Cass*	<i>Media Relations Assistant</i>
Nina Logan	<i>Orchestra Manager</i>	John Waight	<i>Chief Financial Officer</i>
Ashleigh Ellson	<i>Operations Coordinator</i>	Sandy Johnston	<i>Accountant</i>
Judy Wood	<i>Orchestra Librarian /OH & S Coordinator</i>	Donna Barlow*	<i>Accounts Payable Officer</i>
Fiona Lale *	<i>Assistant Librarian / Artist Liaison</i>	Jacqueline Bodel	<i>Administration Coordinator</i>
Peter Laughton	<i>Production Manager</i>	Renae Long	<i>Human Resources Manager</i>
Vincent Scuderi	<i>Production Assistant</i>		
Leisa Hogg*	<i>Executive Manager - Philanthropy and Building Campaign</i>		

* Part time

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

PERFORMANCE MEASURES AND INDICATORS

The Queensland Symphony Orchestra's 2011-2013 Business Plan details specific performance indicators for each of its six Success Factors. Details of progress towards these areas are outlined below.

1. QSO's Audience

To achieve and maintain high audience satisfaction.

QSO has maximized audience growth by actively scheduling works that have a high audience appeal and artistic value, including performances such as Human Nature, the ANZAC Eve Concert, and Brisbane Festival's Opera in the Park. The artistic team programmed the season as a whole to present a wide and engaging palette of styles for the audience, and ensured that special concerts were performed to increase audience share.

Series outline:

Maestro: This series offers premier artists with international profiles, plus major orchestral repertory suitable for large orchestras.

Great Classics: Presents a range of middle-scale repertory from Baroque to Late Romantics – well-known and best-loved pieces which appeal to a traditional audience.

Gala: Celebrity artists and concept programs with themes are designed to attract people who have not traditionally attended this celebratory series of concerts.

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.

Splendour of the Baroque: A three-concert series showcasing the three major schools (French, German, Italian) under the direction of Dr Geoffrey Lancaster. The small ensemble is sourced from the Baroque specialists within the ranks of QSO, led by concertmaster Warwick Adeney.

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.

Midweek Masterworks: This series presents classical repertory presented in a popular morning concert time slot. These concerts are aimed at QSO's traditional subscribers, providing an opportunity for people to attend cultural events during the day.

The QSO's Spring/Summer Survey provided the following information about satisfaction:

- 141 out of 185 respondents (76%) said financial savings on tickets was the reason they subscribed
- Satisfaction of artistic standard (Scale 1-10 (where 10 is very satisfied)):
 - Rating of 9 = 58 respondents out of 185 = 31%
 - Rating of 10 = 66 out of 185 = 35%

2. QSO's Art

To achieve and maintain high artistic standards

Vaughan-Williams Symphony No. 2 (London) was performed in the composer's original version and opening up cuts that had been made in previous performances, making it technically the first performance of the full original symphony. A number of Australian premiere performances were achieved, including Zimmermann *Ich wandte mich und sah...* Villa-Lobos *Amazonas* and *Dawn in a Tropical Forest*. Reviewers from major daily newspapers spoke positively about QSO concerts in all reviews published throughout the year.

Australian composers engaged:

Malcolm Williamson Carl Vine

Australian musicians engaged:

Paul Dean	Jayson Gillham
Hector McDonald	Nicole Car
Liane Keegan	Charles Mellor
Li Wei Qin	Ray Chen
Deborah Humble	Joshua Bloom
Victoria Wallace	Human Nature
David Parkin	Sean O'Boyle
James Morrison	Adam Lopez
Peter Coleman-Wright	Cheryl Barker
Guy Noble	Karin Schaupp
Niki Vasilakis	Rachelle Durkin
Geoffrey Lancaster	Jane Edwards
Benjamin Northey	David Hobson
Amelia Coleman	Christopher Wrench
Irit Silver	Andrew Robinson
Warwick Potter	Sarah-Grace Williams
Dane Lam	

International conductors included:

Eivind Aadland	Edvard Tchivzhel
Paul Watkins	Olli Mustonen
Marco Zuccarini	

International soloists included:

Frederic Francois Guy	Lili Paasikivi
Javier Perianes	Bernd Glemser
Cyrpien Katsaris	

Choral works were programmed to create impact and challenges for community choirs in Brisbane. Works include Mahler's *Das Klagende Lied*, Beethoven Symphony No. 9, Mozart Requiem, Walton's *Belshazzar's Feast*, extracts from a number of pieces, Handel's *Messiah*.

Choirs engaged:

University of Queensland Chorale
Brisbane Concert Choir
Brisbane Choir
Queensland Choir
Canticum Chamber Choir.

Brisbane Festival collaborations:

Opera in the Park (*Le Nozze di Figaro*)
Maestro 8 concert (Vaughan-Williams' London Symphony premiere) Gala 2 (Last Night of the Proms: Walton's *Belshazzar's Feast*)
Cuban Ballet (11 performances of *Don Quixote*)

The Queensland Music Festival did not run in 2010.

4MBS Festival of Classics collaboration:

Mahler's *Das Klagende Lied*

International Horn Symposium:

Maestro 6 featuring six celebrated French horn players

Recordings:

QSO recorded Philip Bracanic's Symphony No.4, St Lucia Suite, Centenary Overture.
Cheryl Barker's recital with Melba

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

In 2010 QSO implemented new positions of artistic leadership, including conductor emeritus, principal guest conductor and assistant conductor. These complement the diversity and talent of established international conductors and provide opportunities for career development for ensemble and repertory specialists. Conductor questionnaires were regularly issued to incorporate musicians' assessments in the overall assessments to ensure input and feedback processes. We also held regular discussions with the Artistic Committee about recent performances, soloists and presentation standards. The 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 the entire company is continually striving towards and achieving new artistic heights.

2010 was another year of intensive engagement with Queensland Ballet and Opera Queensland. Opera Queensland presented three seasons and Queensland Ballet presented two seasons. 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.

3. Stability

To achieve and maintain financial stability

QSO adopted a new marketing strategy for 2010, with a greater emphasis on engaging audiences and building relationships through interaction and connection. Direct mail has proven successful, as were the stronger social media strategies. A new outbound sales program was designed and implemented in October 2010 for the 2011 season to address the decline in sales of previous years and provide stability and growth to our ticket sales. QSO's eight corporate partners in 2009 grew to 21 partners in 2010. Cash and in-kind support was \$564,914 which represented a 390% increase over 2009. RACQ (who provided marketing support), John Holland Group and The Public Trustee (community engagement) supported QSO 2010 regional activity. In addition, RSL Queensland Branch underwrote the costs of the Anzac Eve Concert in the order of \$90,000.

QSO's philanthropic donations grew from \$95,216 in 2009 to \$131,418 (which includes \$25,000 for the building campaign) in 2010.

Work continued through 2011 to maximize private giving programs and philanthropic funding support. A major building campaign was developed with a specialist consultant, and growth was shown in our private giving donations as well. Online donations are now possible through the website, providing a convenient means for people to donate. The Friends program grew with the development of a newsletter designed to entertain and inform, and QSO held several successful events to engage Friends, including interval drinks events and access to Open Rehearsals. These activities were designed to build QSO audience loyalty and have been well received.

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.

	2009	2010
Dollar value of net profit as a % of income	0.7%	3.5%
Gross profit on performances as a percentage	(13.7%)	6.2%
Ratio of dollar value of reserves to operating costs	5%	8%
Number of tickets sold	50,038	38,737
Number of renewing and new subscribers (packages)	3060	2826
Number of single ticket buyers	32,822	23,297
Total sponsorship and philanthropy income	\$240,260	\$701,359
Number of people accessing free performances and activities	3000 approx.	4000 approx.

4. 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 and on tour. Through partnerships with key organisations in 2010 QSO has performed at a variety of venues for varied audiences. The organisation builds into the planning of regional tours opportunities for community outreach involving small ensembles. ABC Classic FM recorded 28 QSO concerts for broadcast to audiences who may not be able to attend concerts in person.

Programming for each of the main education series aimed to fit within a marketable concept that appeals to educators and students. These concerts included Creepy Classics, Musical Voyage and It's a Riot and each enjoyed significantly increased audience numbers per concert and positive feedback from educators and other participants.

The open rehearsal program continued in 2010. Three education open rehearsals were held throughout the year. These were attended by Brisbane School of Distance Education, Kenmore State High School, Maryborough State High School and Corinda State High School. Over 300 students attended Open Rehearsals in 2010.

In 2010 QSO engaged further with school aged audience members through the use of live camera to screen, programs for audience members and an increasing presence on social media such as twitter and facebook. QSO improved online communications with teachers and students through the implementation of a specific quarterly e-news for this audience. Email continues to be a major method of communication with teachers and schools.

Twitter activity was almost non-existent in 2009 but is now an active part of the communications plan. In 2010 facebook engagement increased by more around 100% (450 to nearly 1,000). Facebook and Twitter continued to engage with younger audiences with one of the highlights being the Ask a Conductor Twitter event.

Tune-In (the email newsletter) distribution increased by 50% (from 3,000 to 4,500) by December 2010. This was achieved via an overt move away from prescriptive event promotion to a more informative and entertaining (hub) approach with behind the scenes content, money-can't-buy experiences, access to exclusive photos and a broadening of subject matter to cover interesting events in the orchestral and arts community.

QSO continued engaging with younger audiences through social media and the implementation of new ticket pricing for students through the implementation of the student passport.

5. Talent

To create an environment for success

Musician recruitment was managed closely to reflect the artistic development needs of the orchestra as advised by the Chief Conductor, Concertmaster and Section Principals.

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)
- Provision of extra rehearsal calls with Chief Conductor to work with specific sections of the orchestra.
- Choice of conductors throughout 2010 to broaden musicians' exposure and provide on-the-job training in particular styles/genres. For example, in 2010 the Baroque specialist Geoffrey Lancaster, Russian music expert Edvard Tchivzhel, French expert Guillaume Tourniare provided training in their areas of expertise.



6. Leadership

To develop significant artistic and business leadership

Strong relationships have been developed with Education Queensland and school teachers and the QSO's education officer. She works with the Director - Artistic Planning to ensure that our programs are relevant and support state curriculum and outcomes.

QSO held a Young Instrumentalist Competition in 2010 with a high standard of musicianship among the entrants, who came from as far away as Cairns. The winner of this event played a solo piece with the orchestra on stage at QPAC, providing valuable experience for this talented musician.

QSO facilitated masterclasses with a selection of our acclaimed international soloists for presentation at the Conservatorium. Artists involved were Cyprien Katsaris (piano), Natalia Lomeiko (violin), Yuri Zhislin

(viola). University of Queensland students participated in the masterclasses held at the Conservatorium, which also included the University of Queensland Chorale, Professor Reka Csernyik and Debra Shearer-Dirie as well as the QSO CEO, who is Music Director and Conductor of the UQ Wind Symphony.

QSO held the most successful Professional Development Day for teachers in 2010. Over 300 teachers attended the QSO Education Launch and Professional Development Day on October 18.

The Workplace Integrated Learning (WIL) program is jointly administered with Conservatorium of Music Griffith University. The Program involved 12 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.

CORPORATE GOVERNANCE

QSO has maintained sound corporate governance during 2010, creating value through accountability and control systems to align with associated risks, in accordance with principles set out by the Tripartite Agreement:

Lay Solid Foundations for Management and Oversight
Structure the Board to Add Value
Promote Ethical and Responsible Decision Making
Promote Diversity
Safeguard Integrity in Financial Reporting
Recognise the Legitimate Interests of Stakeholders
Recognise and Manage Risk
Remunerate Fairly and Responsibly

1. Lay Solid Foundations For Management And Oversight

QSO's Board Charter addresses recommendations made by MPAB and 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. The organisation has documented key policies, approved by the Board, that cover all relevant aspects of the business.

QSO also ensures that the executive and senior management have formal job descriptions and a letter of appointment describing their term of office, duties, rights and responsibilities. A performance review process is currently in development.

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

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 about 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, to ensure a variety of perspectives and skills exist. Under the constitution there is a maximum of nine directors and this is considered appropriate. 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.

QUEENSLAND SYMPHONY ORCHESTRA BOARD 2010



Greg Wanchap, Chairman

Greg Wanchap is Principal of Crowe Horwath, Business Advisors and Chartered Accountants. He specialises in advising on mergers 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, Chairman, Finance and Audit Committee

Tony Denholder is Head of the Brisbane Resources Group at Blake Dawson. He regularly advises on the development of new mining and infrastructure projects in Queensland. Tony recently joined the national board of Blake Dawson, is a director of Cape York Partnerships and deputy chair of Expressions Dance Company.



Janine Walker, Resigned 31.12.10

Janine Walker is Director of the Office of Human Resources Management of Griffith University and an Adjunct Professor in the University's Business School. Janine has held significant senior positions including HR Director of the Princess Alexandra Hospital, Director of Industrial Relations for Queensland Health and Industrial Director and General Secretary of the Queensland Public Sector Union.



Philip Bračanin, Chairman, Artistic Committee

Professor Philip Bračanin, an emeritus of The University of Queensland, served for nine years as Dean of the Faculty of Music, and for ten years as Head of Music. He is a composer whose works have been recorded in Australia, Germany, Finland, and the former Yugoslavia and performed in Australia, New Zealand, Europe, Korea, Malaysia, Canada and the USA.

QUEENSLAND SYMPHONY ORCHESTRA BOARD 2010

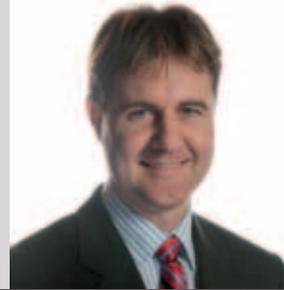
Jenny Hodgson

Jenny is a Producer with the Programming Unit of the Queensland Performing Arts Centre and in 2010 was Managing Producer of Out of the Box, QPAC's festival for children eight years and under. 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.



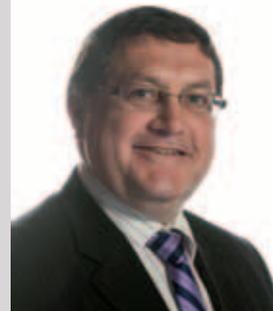
Jason Redman, Artistic Committee

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

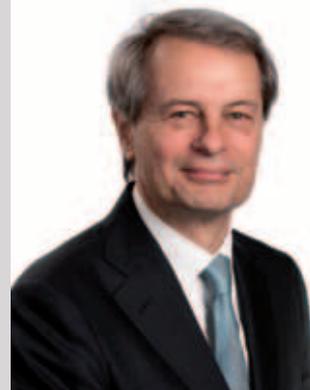
Tony is Head of Corporate Banking Queensland for National Australia Bank. He has worked for nab for over 30 years in various positions in SA, Victoria and Queensland. Tony has a Bachelor of Science (Mathematics) degree from University of Adelaide and a Graduate Diploma in Corporate Finance from Swinburne. He is a Fellow of the Financial Services Institute of Australasia, a Graduate of the Australian Institute of Company Directors and a member of the CEO Institute.



John Keep, Finance and Audit Committee

John is the principal TyTo Corporation. His commercial background includes senior management positions with a number of high profile organisations encompassing both hospitality and the healthcare industry. Formerly he was Group Company Secretary of Castlemaine Tooheys Limited. He is a graduate of Macquarie University where he majored in Economics and Accounting and was part of the Heineken International Management Program at the European Institute of Business Administration in France.

John is a founding member and chairman of the Friends of the Academy, a group of professionals who share a common interest in the newly formed Queensland Academy for Health Sciences.



Sub-Committees of the Board

Corporate performance is enhanced by the establishment of appropriate sub-committees which 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 themselves 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.

The Board understand their legal obligations and duties as Board members and the expectations of the organisations stakeholders.

4. Promote Diversity

A diversity policy has been written and 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. As the diversity policy is new to QSO, it will be assessed at the end of 2011. Measurable objectives for achieving diversity and progress will be developed and adopted in 2011.

5. Safeguard Integrity In Financial Reporting

The Finance and Audit Committee was established with its own Terms of Reference and is of sufficient size, independence and technical expertise to discharge its functions effectively. Its members are financially and commercially experienced and possess the relevant qualifications and financial management experience at senior management level in the public or private sector.

Ernst & Young performs the QSO's external audit to ensure the organisation's financial statements are consistent with Australian accounting standards. The Finance and Audit 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.

The Board releases an Annual Report which provides information on its artistic and financial performance as well as its activities during the year. The Board also endorses the organisation's annual acquittal to funding bodies which outlines a factual, clear and balanced presentation of annual performance in all activities.

7. Recognise And Manage Risk

The Finance and Audit 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.

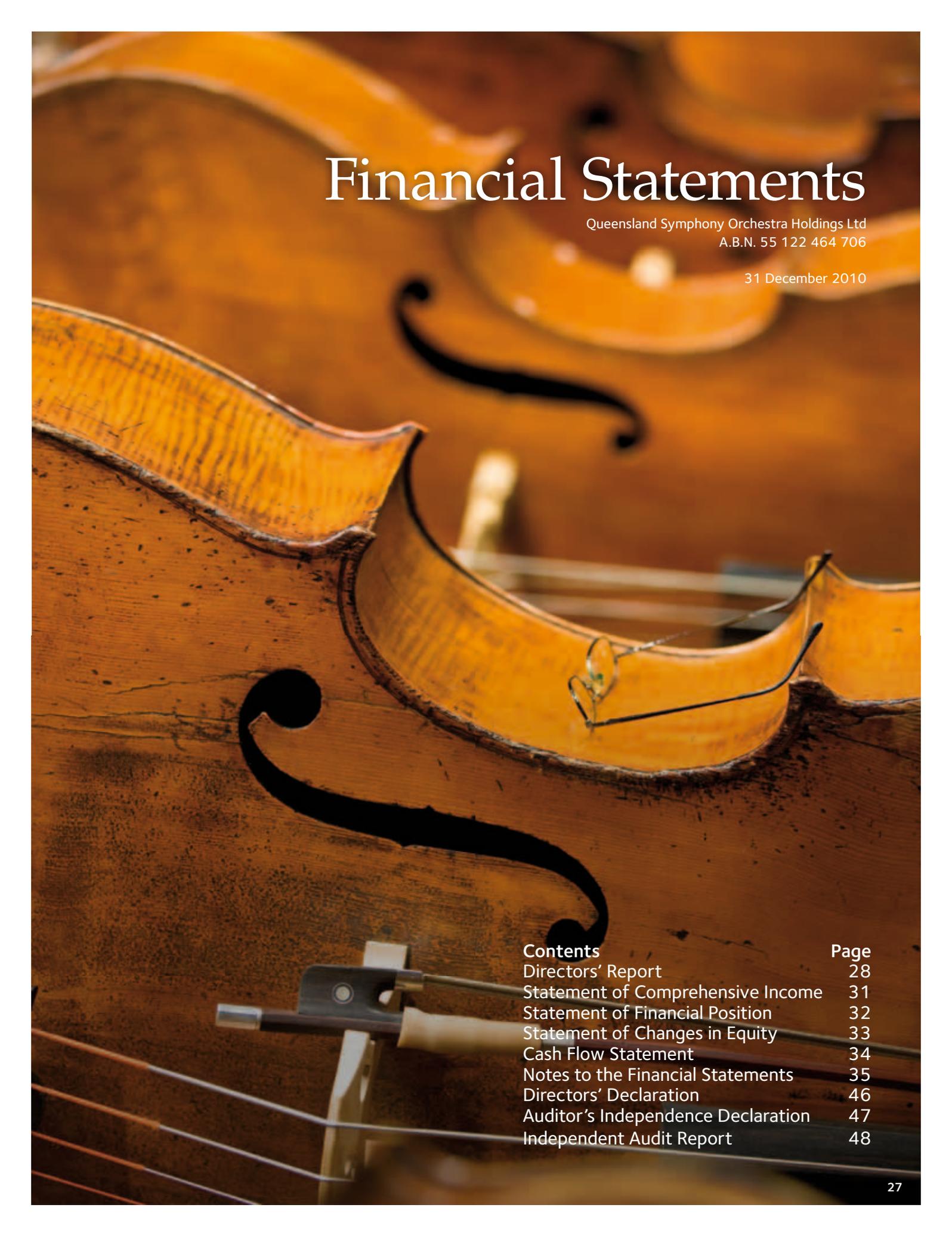
Comprehensive practices are established such that:

- capital expenditure and revenue commitments above a certain size obtain Board approval
- financial exposures are managed and 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

8. Remunerate Fairly And Responsibly

The QSO's Board of Directors are not remunerated, however the company has an approved remuneration policy to attract and retain motivated employees.

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.



Financial Statements

Queensland Symphony Orchestra Holdings Ltd
A.B.N. 55 122 464 706

31 December 2010

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report together with the financial report of Queensland Symphony Orchestra Holdings Ltd (the Company) for the year ended 31 December 2010 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	Chairman of Finance & Audit Committee to 21 July 2010.
J Keep	Appointed 13 May 2010. Chairman of Finance and Audit Committee from 22 July 2010.
J E Hodgson	
J M Walker	Resigned 31 December 2010.
P Bracarin	Chairman of Artistic Committee
J Redman	
T Keane	

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

BOARD AND COMMITTEE MEETINGS

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

Director	Queensland Symphony Orchestra Holdings Ltd		Queensland Symphony Orchestra Pty Ltd			
	Board		Board		Finance and Audit Committee	
	Held (A)	Attended (B)	Held (A)	Attended (B)	Held (A)	Attended (B)
G K Wanchap	2	2	13	12	9	6
T Denholder	2	2	13	11	9	7
J Keep	1	1	7	7	7	7
J E Hodgson	2	2	13	9		
J M Walker	2	2	13	11		
P Bracarin	2	2	13	12		
J Redman	2	2	13	12		
T Keane	2	2	13	11	9	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 quarterly 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 137 performances during the twelve months ended 31 December 2010 including pit services for 64 performances of Opera Queensland, Queensland Ballet, Australian Ballet and the Cuban Ballet, 2 recordings for ABC and Melba, and 7 performances as a hired orchestra. The majority of the company's concerts were held in Queensland Performing Arts Centre Concert Hall.

The financial results for the 2010 year were materially influenced as a consequence of the group receiving Commonwealth and State funding of \$6,000,000 towards the Southbank co-location project. This has been treated as a deferred revenue liability. The net profit for the year to 31 December 2010 was \$464,198 (year ended 31 December 2009 was \$89,423 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 2011 the group will receive a further \$6,000,000 in Commonwealth and State funding towards the Southbank co-location project. The group will be required to make a capital contribution towards the Southbank Co-location project of \$14,000,000 during 2011 and 2012. A fundraising campaign has been developed to raise the additional \$2,000,000, during 2011.

DIVIDENDS

No dividends were paid or proposed during the financial year.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

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

Insurance premiums

During the financial year, the group has paid premiums in respect of directors' and officers' liability and legal expenses for the year ended 31 December 2010. 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 2011. 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 47.

EVENTS SUBSEQUENT TO BALANCE DATE

In January 2011 significant flooding occurred in Brisbane and other parts of South East Queensland. The company's main performance venue was flooded, some concert dates were changed, and the carpark area was closed. Additionally the effects on the disposable income of patrons may have been affected, which may result in adverse long term effects on ticket sales, sponsorship and fundraising.

Apart from the above, no events have occurred subsequent to balance date that materially affect the accounts and are not already reflected in the financial statements.

Signed in accordance with a resolution of the directors:

A handwritten signature in cursive script, appearing to read 'G. Wanchap'.

Greg Wanchap
Chairman

30 March 2011
Brisbane

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated		Parent	
		31/12/10 \$	31/12/09 \$	31/12/10 \$	31/12/09 \$
REVENUE					
Funding revenue	2	9,825,799	9,834,000	9,500,799	9,224,000
Ticket sales	3	1,646,315	2,201,257	-	-
Sponsorship and donation revenue	4	701,359	240,260	-	-
Orchestral hire		607,806	448,664	-	-
Other revenue	5	588,518	195,296	-	-
		13,369,797	12,919,477	9,500,799	9,224,000
EXPENSES					
Impairment loss / (Reversal)		-	-	(408,034)	(89,423)
Employee expenses	6	8,569,656	8,114,055	-	-
Artists fees and expenses		774,313	1,313,453	-	-
Marketing expenses		615,309	695,493	-	-
Production expenses		998,706	1,267,275	-	-
Service fees		218,108	213,108	-	-
Depreciation and amortisation	6	70,023	67,311	-	-
Other expenses from ordinary activities		1,659,484	1,159,359	-	-
Funding expense		-	-	9,500,799	9,224,000
		12,905,599	12,830,054	9,092,765	9,090,543
NET PROFIT/(LOSS) FOR THE YEAR		464,198	89,423	408,034	89,423
Other comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		464,198	89,423	408,034	89,423

The Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements set out on pages 35 to 45

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	Note	Consolidated		Parent	
		31/12/10 \$	31/12/09 \$	31/12/10 \$	31/12/09 \$
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	14	3,540,784	1,667,197	-	-
Trade and Other Receivables	7	239,538	189,465	-	-
Other	8	6,089,751	1,772,649	-	-
TOTAL CURRENT ASSETS		9,870,073	3,629,311	-	-
NON-CURRENT ASSETS					
Property, plant and equipment	9	425,579	397,590	-	-
Investment in controlled entities	10	-	-	985,395	577,361
TOTAL NON-CURRENT ASSETS		425,579	397,590	985,395	577,361
TOTAL ASSETS		10,295,652	4,026,901	985,395	577,361
LIABILITIES					
CURRENT LIABILITIES					
Trade and Other Payables	11	602,990	474,219	-	-
Deferred revenue	12	6,903,536	1,028,905	-	-
Provisions	13	1,597,875	1,814,964	-	-
TOTAL CURRENT LIABILITIES		9,104,401	3,318,088	-	-
NON-CURRENT LIABILITIES					
Provisions	13	149,692	131,452	-	-
TOTAL NON-CURRENT LIABILITIES		149,692	131,452	-	-
TOTAL LIABILITIES		9,254,093	3,449,540	-	-
NET ASSETS		1,041,559	577,361	985,395	577,361
EQUITY					
Retained Profits	19	1,041,559	577,361	985,395	577,361
TOTAL EQUITY		1,041,559	577,361	985,395	577,361

The Statement of Financial Position should be read in conjunction with the notes to the financial statements set out on pages 35 to 45

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

CONSOLIDATED		
	Retained Profits	Total
	\$	\$
As at 1 January 2009	487,938	487,938
Profit for the year	89,423	89,423
As at 31 December 2009	577,361	577,361
Profit for the year	464,198	464,198
As at 31 December 2010	1,041,559	1,041,559

PARENT		
	Retained Profits	Total
	\$	\$
As at 1 January 2009	487,938	487,938
Profit for the year	89,423	89,423
As at 31 December 2009	577,361	577,361
Profit for the year	408,034	408,034
As at 31 December 2010	985,395	985,395

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements set out on pages 35 to 45

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated		Parent	
		31/12/10 \$	31/12/09 \$	31/12/10 \$	31/12/09 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		3,155,261	2,771,023	-	-
Cash payments in the course of operations		(12,954,853)	(12,530,673)	-	-
Cash payments to subsidiary		-	-	(9,500,799)	(9,224,000)
Grants received from government funding bodies		15,700,431	10,508,119	9,500,799	9,224,000
Interest received		338,663	116,521	-	-
Net cash provided by / (used in) operating activities	14(b)	6,239,502	864,990	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds for Term Deposit Investment		(4,267,903)	(1,571,559)	-	-
Payment for property, plant and equipment		(98,012)	(50,965)	-	-
Net cash used in investing activities		(4,365,915)	(1,622,524)	-	-
Net increase/(decrease) in cash held		1,873,587	(757,534)	-	-
Cash & Cash Equivalents at the beginning of the financial year		1,667,197	2,424,731	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR					
	14(a)	3,540,784	1,667,197	-	-

The Cash Flow Statement should be read in conjunction with the notes to the financial statements set out on pages 35 to 45

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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 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 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 Segment Reporting
 - AASB 117 Leases
 - AASB 124 Related Parties
 - 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 subsidiary as at 31 December 2010. 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 Agreement entered into in December 2006. Additional funding is also received under the terms of the Orchestra Review Implementation Funding Agreements entered into in December 2006

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

with MPAB and in February 2007 with Arts Queensland. Funding is received based on payment schedules contained in those agreements between the funding bodies and Queensland Symphony Orchestra Holdings Ltd and is recognised in the calendar year for which it is intended under the terms of the funding agreement. 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) 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.

j) 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.

k) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010 have been expensed against income.

l) 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.

m) 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 2010, the group recorded a profit of \$464,198 and total assets of \$10,295,652 exceeded its total liabilities of \$9,254,093 by \$1,041,559. Current assets exceeded current liabilities by \$765,672. The group is forecasting a profit for the year ended 31 December 2011.

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 Agreement for a three year period commencing 1 January 2007. This agreement has been extended for a further year to 31 December 2011 by a Deed of Variation. This funding is on funded to the group to operate the orchestra.
- Additional funding has been agreed at state and federal level to 31 December 2011 following the implementation of the Orchestra Review recommendations.
- The Major Performing Arts Board (MPAB) of the Australia Council and Arts Queensland have also agreed to continue to provide base funding inclusive of all Orchestra Review funding for the 2012 year.

2. FUNDING REVENUE

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Australia Council MPAB Annual Grant	6,793,072	6,595,160	6,793,072	6,595,160
Australia Council MPAB – Dedicated Grants	75,000	-	-	-
Arts Queensland Annual Grant	2,707,727	2,628,840	2,707,727	2,628,840
Arts Queensland – Dedicated Grants	85,000	-	-	-
Arts Queensland – Co-location Project	-	500,000	-	-
Queensland Arts Council – Dedicated Grant	-	80,000	-	-
Brisbane City Council Grant	40,000	30,000	-	-
Grants dedicated – Non Government	125,000	-	-	-
	9,825,799	9,834,000	9,500,799	9,224,000

The Department of the Premier and Cabinet acting through Arts Queensland provided dedicated grants of \$500,000 during the 2009 year. The company was immediately eligible for the funding as there were no conditions precedent to be satisfied.

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 had a three-year contract securing base funding in place with the Australia Council for the Arts and Arts Queensland that commenced on 1 January 2007 and has been extended by Deed of Variation to expire on 31 December 2011. As required, these amounts are then funded to Queensland Symphony Orchestra Pty Ltd to operate Queensland Symphony Orchestra.

3. TICKET SALES

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Subscription sales	802,696	826,206	-	-
Single ticket sales	843,619	1,375,051	-	-
	1,646,315	2,201,257	-	-

During 2010 there were fewer opportunities to present special events resulting in a reduction in single ticket sales.

4. SPONSORSHIP AND DONATION REVENUE

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Sponsorship	564,917	145,000	-	-
Guild membership	5,024	44	-	-
Donations	131,418	95,216	-	-
	701,359	240,260	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

5. OTHER REVENUE

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
From operating activities:				
Interest income	338,662	116,521	-	-
From outside operating activities				
Other	249,856	78,775	-	-
	<u>588,518</u>	<u>195,296</u>	<u>-</u>	<u>-</u>

6. OPERATING PROFIT FROM ORDINARY ACTIVITIES

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

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Depreciation:				
Musical instruments	40,342	36,114	-	-
Office equipment	7,141	8,545	-	-
Furniture, fixtures and fittings	18,628	18,679	-	-
Computer equipment	3,912	3,973	-	-
Total Depreciation	<u>70,023</u>	<u>67,311</u>	<u>-</u>	<u>-</u>
Lease rental expense – operating leases	32,099	23,135	-	-
Employee Expenses:				
Salaries & Wages	7,403,738	6,998,218	-	-
Superannuation	1,092,999	1,006,318	-	-
Workers Compensation	72,919	69,642	-	-
Redundancies	-	39,877	-	-
Total Employee Expenses	<u>8,569,656</u>	<u>8,114,055</u>	<u>-</u>	<u>-</u>

7. TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Current				
Trade debtors	108,235	80,360	-	-
Other debtors	131,303	109,105	-	-
	<u>239,538</u>	<u>189,465</u>	<u>-</u>	<u>-</u>

8. OTHER CURRENT ASSETS

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Prepayments	250,289	201,090	-	-
Term Deposit Investments	1,809,153	1,021,559	-	-
Term Deposit Southbank Building Fund	4,030,309	550,000	-	-
	6,089,751	1,772,649	-	-

9. PROPERTY, PLANT AND EQUIPMENT

	Musical instruments	Office equipment	Computer equipment	Furniture, fixtures and fittings	Total \$
<i>Cost</i>					
Opening balance	509,556	63,727	104,530	222,686	900,499
Additions	87,488	5,552	1,410	3,562	98,012
Disposals	(7,878)	-	(2,409)	-	(10,287)
Closing balance	589,166	69,279	103,531	226,248	988,224
<i>Accumulated depreciation</i>					
Opening balance	(243,168)	(53,401)	(96,531)	(109,809)	(502,909)
Depreciation expense	(40,342)	(7,141)	(3,912)	(18,628)	(70,023)
Disposals	7,878	-	2,409	-	10,287
Closing balance	(275,632)	(60,542)	(98,034)	(128,437)	(562,645)
Net book value, 31 December 2010	313,534	8,737	5,497	97,811	425,579
Net book value, 31 December 2009	266,388	10,326	7,999	112,877	397,590

10. INVESTMENT IN CONTROLLED ENTITIES

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Investment in controlled entities, at cost	-	-	985,395	985,395
(Impairment loss) / Reversal of Impairment	-	-	-	(408,034)
	-	-	985,395	577,361
<i>Roll-forward of Impairment</i>				
Opening Balance	-	-	408,034	497,457
Impairment / (Reversal)	-	-	(408,034)	(89,423)
Closing Balance	-	-	-	408,034

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

11. TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Trade creditors	72,413	184,572	-	-
Other creditors and accruals	530,577	289,647	-	-
	602,990	474,219	-	-

12. DEFERRED REVENUE

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
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	723,957	-	-
Federal funding received in advance	274,940	-	-	-
Brisbane City Council grant received in advance	15,000	15,000	-	-
Subscriptions received in advance	438,127	289,948	-	-
Other Deferred Revenue	65,877	-	-	-
	6,903,536	1,028,905	-	-

During the year ended 31 December 2010, the group received \$6,000,000 in funding towards the co-location to Southbank. Until the conditions precedent of the Deed of Grant Funding for the Queensland Symphony Orchestra Co-location Project between the State of Queensland represented by the Department of Premier and Cabinet acting through Arts Queensland and the Queensland Symphony Orchestra dated 30 August 2010 are met, the company does not have control over these funds and therefore it is treated as deferred revenue.

13. PROVISIONS

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
a) Current employee benefits – Note 15	1,597,875	1,814,964	-	-
b) Non-current employee benefits – Note 15	149,692	131,452	-	-

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	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Cash at Bank	551,729	1,560,081	-	-
Divestment Funds account	384,532	48,275	-	-
Southbank Building Fund	2,519,447	-	-	-
QSO Fund account	41,066	58,841	-	-
Sampson Library	44,010	-	-	-
	3,540,784	1,667,197	-	-

Total cash and term deposits at the end of the financial period is \$9,380,246 (at 31 December 2009: \$3,238,756).

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

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Profit/(Loss) from ordinary activities	464,198	89,423	-	-
Less items classified as investing/financing activities:				
Loss on disposal of non-current assets	-	-	-	-
Add/(less) non-cash items:				
Charges to provisions	(198,849)	95,663	-	-
Disposal of Fixed Assets	-	-	-	-
Depreciation	70,023	67,311	-	-
Net cash (used in)/provided by operating activities before change in assets and liabilities	335,372	252,397	-	-
Change in assets and liabilities:				
(Increase)/decrease in receivables	(50,073)	(108,566)	-	-
(Increase)/decrease in other assets	(49,199)	(92,181)	-	-
Increase/(decrease) in accounts payable	128,771	228,587	-	-
Increase/(decrease) in deferred revenue	5,874,631	584,753	-	-
Net cash provided by operating activities	6,239,502	864,990	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

15. EMPLOYEE BENEFITS

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Current	1,597,875	1,814,964	-	-
Non-current	149,692	131,452	-	-
	1,747,567	1,946,416	-	-

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	
	31/12/10	31/12/09	31/12/10	31/12/09
Assumed rate of increase in wage and salary rates	3%	3%	-	-
Discount rate	5.75%	5.25%	-	-
Settlement term	10 years	10 years	-	-

At year end, the group employed 100 full-time equivalent employees (2009: 87 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 \$1,092,999 (2009: \$1,006,318) for the group in relation to these schemes have been expensed in these financial statements.

16. AUDITOR'S REMUNERATION

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
Auditing of the financial report	25,000	24,000	-	-
Other services	-	-	-	-
	25,000	24,000	-	-

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 2010 QPAT held \$238,185 relating to 2011 performances.

19. RETAINED PROFITS

	Consolidated		Parent	
	31/12/10	31/12/09	31/12/10	31/12/09
	\$	\$	\$	\$
General				
Retained Profits at the beginning of the year	577,361	487,938	577,361	487,938
Net profit/(loss) from ordinary activities for the year	420,188	89,423	408,034	89,423
Retained Profits at the end of the year	997,549	577,361	985,395	577,361
Sampson Library Trust	44,010	-	-	-
Total Retained Profits	1,041,559	577,361	985,395	577,361

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. SUBSEQUENT EVENTS

In January 2011 significant flooding occurred in Brisbane and other parts of South East Queensland. The company's main performance venue was flooded, some concert dates were changed, and the carpark area was closed. Additionally the effects on the disposable income of patrons may have been affected, which may result in adverse long term effects on ticket sales, sponsorship and fundraising.

Apart from the above, no events have occurred subsequent to balance date that materially affect the accounts and are not already reflected in the financial statements.

21. ADDITIONAL DISCLOSURES

The special purpose financial report of Queensland Symphony Orchestra Holdings Ltd for the year ended 31 December 2010 was authorised for issue in accordance with a resolution of directors on 30 March 2011.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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 31 to 45 are in accordance with the Tripartite 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 2010 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:

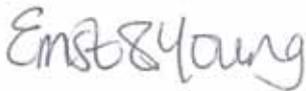


Greg Wanchap
Chairman

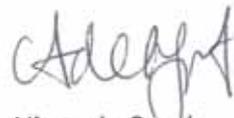
30 March 2011
Brisbane

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 2010, 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.

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

Ernst & Young

A handwritten signature in cursive script that reads 'Alison de Groot'.

Alison de Groot
Partner
30 March 2011

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 statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement 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.

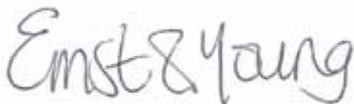
Opinion

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 2010 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(a) 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.

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

Ernst & Young

A handwritten signature in cursive script that reads 'Alison de Groot'.

Alison de Groot
Partner
Brisbane
30 March 2011

“Watching the faces of student musicians react to what we sometimes take for granted makes it all worthwhile. We had a ball.”

Andrew Bell, Instrumental Music Teacher, Mansfield State High School, Wellers Hill State School, Wishart State School.

“I was extremely impressed by the quality of the program and the performance of the orchestra, and my students were positively mesmerized by the experience.” **Debra Hosking**, Music Teacher, Genesis Christian College.

2010

134 concerts | 5,229 kilometres travelled | 40,037 tickets sold | 11,051 student participants





Queensland Symphony
Orchestra

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