

Queensland Symphony  
Orchestra

# **ANNUAL REPORT**

**— 2013 —**

# GOVERNOR'S MESSAGE



## **QSO Annual Report: Message from the Governor**

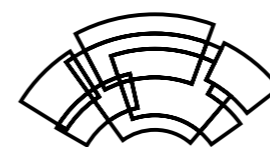
The Queensland Symphony Orchestra is one of Queensland's – and Australia's – great living cultural treasures. In 2013, settled into its home in the heart of Brisbane's cultural precinct, and with a new CEO – I reiterate my warm welcome to Sophie Galaise and my thanks to Libby Anstis for her stewardship as interim CEO – the Orchestra thrilled and entranced audiences with a dazzling array of programs.

With its trademark energy, skill and musicianship, the Orchestra ventured deep into the heart of "classic" symphonies and concertos by Bruckner, Beethoven and Britten (among many others) sampled the glories of the Baroque and of 20<sup>th</sup> and 21<sup>st</sup> century music, and explored music written for the movies and for computer games in concert venues from the newly refurbished Brisbane City Hall, to Toowoomba and Rockhampton.

The success of the 2013 season is the result of the commitment to excellence and dedicated work of QSO's fine musicians, including, of course, Maestro Johannes Fritzsich and of the orchestra's guest conductors and soloists. But that success is also due to the tireless efforts of those who do not take the bows and play the encores on stage – the QSO's Board, Executive and staff, the Orchestra's generous sponsors, donors and supporters, and the subscribers and broader audiences whose support has helped maintain the momentum of the QSO throughout the year in review. I thank them all for their contributions to the 2013 season.

This is the last occasion on which I will contribute, as Governor and Patron, to the QSO's Annual Report. My association with this Queensland cultural treasure has been a great privilege and I will leave my role as Patron with regret but also with vivid and indelible memories of the Orchestra in full and glorious voice. As new seasons and new ambitions beckon the QSO, I wish the Orchestra even greater success in the years to come.

**Penelope Wensley AC**  
Governor of Queensland  
Patron, Queensland Symphony Orchestra



Queensland Symphony  
Orchestra

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# OUR MUSICIANS

## CHIEF CONDUCTOR

Johannes Fritzsich

## CONCERTMASTER

Warwick Adeney

## ASSOCIATE CONCERTMASTER

Alan Smith

## VIOLIN 1

Glenn Christensen \*  
Linda Carello  
Lynn Cole  
Margaret Connolly  
Priscilla Hocking  
Ann Holtzapffel  
Stephen Phillips  
Rebecca Seymour  
Joan Shih  
Brenda Sullivan  
Stephen Tooke  
Brynley White  
Emily Francis 22 Apr – 22 Dec  
Sonia Wilson 19 Aug – 3 Nov

## VIOLIN 2

Gail Aitken ~  
Wayne Brennan ~  
Jane Burroughs  
Faina Dobrenko  
Simon Dobrenko  
Delia Kinmont  
Natalie Low from 1 Apr  
Tim Marchmont

Frances McLean  
Paulene Smith  
Helen Travers  
Harold Wilson

## VIOLA

Yoko Okayasu ~  
Bernard Hoey +  
Charlotte Burbrook de Vere  
Kirsten Hulin-Bobart  
Jann Keir-Haantera  
Helen Poggioli  
Graham Simpson  
Paula Stofman  
Nicholas Tomkin  
Karen Gordon 22 Apr – 13 Oct  
Belinda Williams 28 Jan – 22 Dec

## CELLO

David Lale ~  
Simon Cobcroft >>  
Kathryn Close  
Andre Duthoit  
Matthew Jones  
Matthew Kinmont  
Jenny Mikkelsen-Stokes  
Kaja Skorka  
Craig Allister Young

## DOUBLE BASS

John Fardon ~  
Dushan Walkowicz >>  
Anne Buchanan  
Justin Bullock  
Paul O'Brien  
Ken Poggioli

## FLUTE

Alexis Kenny ~  
Hayley Radke >>  
Janine Grantham

## PICCOLO

Michael Hallit \*

## OBOE

Huw Jones ~ from 28 Jan  
Sarah Meagher >>  
Alexa Murray

## COR ANGLAIS

Elizabeth Chee \* 28 Jan – 20 May  
Vivienne Brooke \* from 5 Aug

## CLARINET

Irit Silver ~  
Brian Catchlove +  
Kate Travers

## BASS CLARINET

Nicholas Harmsen \*

## BASSOON

Nicole Tait ~  
David Mitchell >>  
Evan Lewis

## CONTRABASSOON

Claire Ramuscak \*  
Glenn Prohasky ^ 15 Apr – 10 Nov

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

## FRENCH HORN

Malcolm Stewart ~  
Peter Luff >>  
Ian O'Brien \*  
Vivienne Collier-Vickers  
Lauren Manual  
Emma Gregan 8 Oct – 15 Dec

## 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 ~  
Josh DeMarchi >>

# HIGHLIGHTS 2013

- QSO directly engaged with more than 706,104 people during 2013, not including the many thousands of people we connected with during numerous live streaming opportunities.
- Total tickets sold for 2013 were 51,598 which is a 7% increase on 2012. Ticket sales income for 2013 was \$2,398,873 representing a 26% increase on 2012.
- 2013 ended with \$16,338,095 gross revenue reflecting an 8% increase on 2012 of \$15,016,771 (after excluding Commonwealth and State Funding Southbank Co-location Project of \$3,000,000).
- The artistic highlight of the year featured Sergio Tiempo and Edvard Tchivzhel – two Ravel Piano Concertos and Tchaikovsky Symphony No.6. *‘The combined energy of Tiempo and Tchivzhel was so powerful, the Ravel concertos were blisteringly hot and the Tchaikovsky Symphony breathtaking, devastating in its impact.’* Richard Wenn, Director Artistic Planning
- QSO presented its largest outdoor production to date, *Lord of the Rings – The Two Towers* in October at the Brisbane Riverstage. This event, with full orchestra, two choirs, soloists and large high definition wide screen was significant in attracting new audiences to live orchestral music.
- Another highly successful new audience initiative was *Symphony of Legends – Video Games Unplugged*, a large scale performance in November at Brisbane Convention and Exhibition Centre featuring live orchestra performing with multi-media screens, special lighting and other effects.
- 2013 was the strongest year since 2009 for corporate development with sponsorship dollars increasing by 59% and thirteen new sponsors joining QSO.
- 2013 saw the next phase in the growth of a QSO sales department, and an enhanced sales culture. As a result there was a significant improvement in concert yield and improved customer service.
- Donations in 2013 were \$975,400 an increase of 69% on 2012.
- A new performance management process was successfully implemented for all management and administrative staff.

# CHAIRMAN'S REPORT



Greg Wanchap, Chairman

For the Queensland Symphony Orchestra 2013 was another year of significant and structured change as we embraced our new strategic direction, predicated on continuing to present extraordinary musical experiences together with solid business growth. We are resolute to continue the measured changes in the way we do business, and nothing is

more important to achieving our ambitions than the great successes provided by QSO's outstanding musicians, under the leadership of Chief Conductor Johannes Fritzsich.

As part of this journey, we welcomed our new Chief Executive Sophie Galaise in June, 2013 after an exhaustive global search. Sophie is one of the world's leading orchestral executives, and most recently was Executive Director of Canada's famed Orchestre Symphonique de Québec (Quebec Symphony Orchestra). Originally an orchestral musician (flautist), she holds a Bachelor, Masters and PhD in Musicology from Université de Montréal and an MBA from McGill University, Montreal.

Sophie not only brings passion, a real love of music and a deep understanding of orchestral relevance in the modern era, but also proven commercial skills, all important elements as the QSO continues to reach important milestones in audience growth, orchestral review, artist acclaim and financial outcomes. Sophie's appointment is exciting and stimulating for our company and a coup for Queensland.

In welcoming Sophie, QSO farewelled our interim Chief Executive Officer, Libby Anstis, who led the organisation from August 2012 to May 2013. I personally thank Libby and express the gratitude of everyone at the QSO for her commitment to laying the foundations for an era of change and success.

From a financial perspective, I am pleased to report an improved, but not satisfactory, outcome with \$16,338,095 gross revenue, an 8% growth on the previous year (excluding building grants). This improvement reflected a 26% growth in ticket sales. Despite this growth, QSO ended the year with a deficit of \$273,013, which was however, an improved position of \$469,798 from the previous year (excluding building grants).

On behalf of the Board, my sincere thanks and appreciation to all who supported QSO, including our corporate and funding partners, our donors and patrons, subscribers and everyone across Queensland who experienced a QSO performance throughout the year.

I thank my fellow Board members for their tremendous support given to me and acknowledge the dedication, diligence and expertise they provide to QSO. To our committed executive team and staff together with our musicians thank you for again providing the opportunity for our communities to experience the wonders and delight of music.

We – the Board, staff and musicians alike – have a clear and shared vision, and as we launch into 2014 I am excited about our future and confident that QSO is on the cusp of the most extraordinary period of achievement in our history.

Greg Wanchap  
Chairman

# CHIEF EXECUTIVE'S REPORT



Sophie Galaise, Chief Executive Officer

The first half of the QSO's 2013 year was under the guardianship of the interim CEO, Libby Anstis, as my appointment with the QSO commenced in June. My sincere thanks to Libby. 2013 featured many highlights and I commend the QSO team on a successful year. One of our great achievements was reaching out to new audiences with sensational events like *Lord of the*

*Rings – The Two Towers* and *Symphony of Legends – Video Games Unplugged*. We also presented our beloved Kiddies Cushion Concerts in a new venue, The Courier-Mail Piazza at South Bank, growing our young audience from hundreds to thousands.

As champions of music education we conducted concerts and workshops for school students, and professional development for teachers, throughout Brisbane, Gladstone, Rockhampton, Toowoomba and the Gold Coast. We presented web conferences and streamed performances across the state.

As a gateway to great music and musicians, the QSO brought the world's best conductors and soloists to Queensland and QSO Chief Conductor Johannes Fritzsich continued to draw stunning performances from the QSO who have benefited exponentially from his stewardship.

Alongside the wonderful playing of our musicians, the QSO has a great management and administrative team and we are excited about activating the plans we have for the QSO's future.

Thank you to our many stakeholders without whom achieving success would not be possible, particularly the Australia Council for the Arts, the Queensland Government through Arts Queensland and our many sponsors and donors.

More than ever we will focus on our key goal of becoming a leader in our field, with a reputation for excellence, innovation and accessibility. 2013 was a year that set us in good stead to realise our vision for 2014 and beyond.

Sophie Galaise  
Chief Executive Officer

# CHIEF CONDUCTOR'S REPORT



Johannes Fritzsich, Chief Conductor

As Chief Conductor of the Queensland Symphony Orchestra, I am very pleased with the artistic development of QSO in 2013. It was a year of great concerts, fruitful collaborations and artistic growth.

Firstly, I would like to welcome our new orchestra members: Huw Jones: Section Principal Oboe; Glenn Christensen: Principal,

Violin 1; Justin Bullock: Section Musician, Double Bass; Natalie Low: Section Musician, Violin 2.

The orchestra performed a wide range of successful concerts in our main series Maestro, Music on Sundays, Morning Masterworks, Gala, 20/21, Concerti, Baroque, Chamber Players and Education, as well as special events and regional tours.

Out of many esteemed guest artists in 2013, I would like to acknowledge conductors Eivind Aadland, Edvard Tchivzhel and Gerard Schwarz, as well as soloists Ray Chen, Nikolai Demidenko, Sergio Tiempo, Anton Kuerti, Javier Perianes, Steven Osborne and Peter Wispelwey who have attained new artistic peaks with our orchestra.

Performing with the world famous Bolshoi Ballet and conductor Pavel Sorokin was one of the highlights of the collaborations with ballet and opera companies, as well as the very successful relationship with the Australian Ballet and conductor Nicolette Fraillon.

QSO also performed for Opera Queensland and the Queensland Ballet to great acclaim.

I am especially pleased with the great audience reaction to QSO performances, with increasing enthusiasm and many standing ovations.

Johannes Fritzsich  
Chief Conductor



# CONCERT ACTIVITY STATEMENT

	Audience	
	2012	2013
<b>QSO Performances</b>		
Mainstage Brisbane	32,936	27,008
Specials	3,274	7,211
<b>Regional</b>		
Toowoomba	963	854
Gold Coast	1,157	661
Rockhampton	181	868
Gladstone*	2,000	2,400
Regional Education*	913	1,868
<b>Education</b>	8,281	12,316
<b>Commercial Hires</b>		
Australian Ballet		13,860
Bolshoi Ballet	28,982 (includes simulcast audience)	
Nick Cave & the Bad Seeds		8,000*
Lev Vlassenko Piano Competition		400
Brisbane Festival – Opera at Riverstage		3,000*
Brisbane Festival – Symphony under the Stars		5,500*
Spirit of Christmas	4,587 (3 performances)	
<b>Pit services</b>		
Queensland Ballet – Cinderella	12,828 (16 performances)	
Queensland Ballet – Nutcracker	13,647 (17 performances)	
Opera Queensland – Cinderella	5,136 (10 performances)	
Opera Queensland – Otello	5,438 (5 performances)	
<b>Other events</b>		
ANZAC Eve		3,000*
QSO Studio Opening		300
The English Family Prize for Young Instrumentalists	77 recital, 1,200 winner's concert	
<b>Concert broadcasts</b>		
ABC Classic FM		495,600^
4MBS (and affiliates)		51,363^
<b>Total ticket sales</b>	48,149	51,598
<b>Number of subscribers</b>	2,741	2,877
<b>Number of single tickets purchased</b>	28,269	30,047
<b>Attendance at free events</b>	9,500	18,700*
<b>Approximate total QSO audience</b>	115,623	706,104^
<b>Total QSO performances</b>	<b>136</b>	<b>146</b>

\* Concert attendances based on best estimate.

^ Numbers include broadcast averages available at time of publication.

# PERFORMANCES 2013

Measures	Target	Result
Percentage of audience satisfied and/or very satisfied with:		
a. Repertoire and artists	70%	96%
b. Value for money	75%	84%
Number of tickets sold	50,275	51,598
Number of renewing and new subscribers	2,829	2,877
Number of single ticket buyers	30,992	30,047

Total tickets sold increased by 7% in 2013 compared to 2012, with \$2,398,873 in box office income representing a 26% increase over the same period.

With the addition of a Publicity Consultant to the marketing team, QSO enjoyed significant increases in publicity coverage throughout 2013. In November the QSO achieved its highest media measure achieving \$223,112 in media value. Web activity also increased markedly with a total of 117,820 web visits, nearly 36,000 more than the previous year. Twitter activity maintained a consistent and upward trend, and QSO closed the year with a 100% increase in Facebook fans at 4,635.

## QSO mainstage

In 2013 QSO presented 35 concerts in nine series as part of its mainstage concert program: Maestro Series (ten concerts), Morning Masterworks (four concerts), Music on Sundays (six concerts), Gala (three concerts), 20/21 Contemporary Series (two concerts), Concerti (two concerts), Baroque (two concerts), In Recital (one concert) and Chamber Players (five concerts).

## Orchestra hire

QSO was contracted to perform in a number of very high profile projects during 2013, beginning with the Australian Ballet's Brisbane season of Swan Lake, comprising eight performances with conductor Nicolette Frillon. In March QSO also performed with *Nick Cave and the Bad Seeds* in a large outdoor performance at Brisbane's Riverstage.

QPAC's International Series featured the superb Bolshoi Ballet performing twelve acclaimed performances with the QSO conducted by Pavel Sorokin in a season of two major ballets: *Le Corsaire* and *The Bright Stream*. The performance on 4 June was streamed live in high definition via satellite to a large regional audience in centres throughout Queensland.

During August the QSO performed for the Lev Vlassenko Piano Competition, featuring four finalists from an international field performing with the QSO in a public concert which was also live streamed worldwide via the internet. December found the QSO taking part in QPAC's annual *Spirit of Christmas* season of three concerts featuring the orchestra with Voices of Birralee, the QPAC Choir and various soloists conducted by Simon Kenway.

## Special events

QSO began the year 2013 on 29 January working in its new Studio 420 on South Bank for the first time recording a short film, *Building Bolero*, co-produced with the ABC and celebrating QSO's move to its new home. This short film has been made available on YouTube and to date has received more than 170,000 views. It was also fitting that, supported by the Brisbane City Council, the QSO gave a special concert *Return to City Hall* in April celebrating the re-opening of this historic building which had been QSO's regular venue in the early years of the orchestra's history.

2013 was a year marked by several major specials which significantly widened our audience reach. On 24 April we gave our ANZAC Eve concert in partnership with the RSL, in a very well attended production at the Brisbane Convention and Exhibition Centre (BCEC). In June QSO partnered with QPAC in presenting *Idina Menzel* in Concert in a very successful sell-out performance.

2013 was also a big year for outdoor QSO performances with two concerts at the Brisbane Riverstage as part of the Brisbane Festival: *Opera on the Riverstage* in partnership with Opera Queensland and conducted by Simon Kenway and *Symphony Under the Stars* conducted by Marco Zuccarini. Both performances were well attended with the *Symphony Under the Stars* audience estimated at 5,500. These were followed by QSO's production in October of *Lord of the Rings – The Two Towers*, presented live at the Brisbane Riverstage before a large audience of more than 4,000. This production, involving full orchestra, two choirs and soloists with a large high definition widescreen was QSO's largest outdoor production to date. BCEC was also the venue in November for *Symphony of Legends – Video Games Unplugged*, a large scale performance featuring the live orchestra performing with multi-media screens, special lighting and other effects.

## Orchestral services

In accordance with our Tripartite Funding Agreement, QSO supported our sister companies the Queensland Ballet (QB) and Opera Queensland (OQ) in several seasons during 2013. For Queensland Ballet the QSO performed sixteen performances during April at the QPAC Playhouse of Prokofiev's ballet, *Cinderella* and in December QSO joined QB in seventeen performances of Tchaikovsky's *Nutcracker* in a production which is set to become an annual favourite for Brisbane audiences. One performance was also recorded for a large screen video presentation at South Bank for a public audience prior to Christmas.

QSO supported Opera Queensland's ten performance season of Rossini's *La Cenerentola* (Cinderella) conducted by Simon Kenway in the Conservatorium Theatre and later joined with our Chief Conductor Johannes Fritzsich in OQ's five performance season of Verdi's *Otello*.

# OUR ART

Measures	Target	Result
Qualitative evaluation of performances by internal artistic leaders and established committees	N/A	Completed
Qualitative evaluation of musician skills by Chief Conductor and section leaders	N/A	Completed
Qualitative evaluation of guest conductors and artists via musician feedback	N/A	Completed

Chief Conductor Johannes Fritzsich brought his expertise in the German romantic repertory to use with a stunning season opening concert of Anton Bruckner's Fourth Symphony.

Further highlights in 2013 with the Chief Conductor included Shostakovich's 7<sup>th</sup> Symphony, the world premiere of Matthew Dewey's Concerto for Trumpet and Clarinet, commissioned by QSO and Queensland Music Festival (QMF) for James Morrison and Julian Bliss.

Legendary pianists included Nikolai Demidenko appearing in one of his signature works, Concerto No.2 by Rachmaninov and Anton Kuerti with the Beethoven *Emperor* Concerto.

Steven Osborne gave a performance of Britten's Piano Concerto to mark the composer's 100<sup>th</sup> anniversary and Piers Lane delivered a performance of Mozart's Piano Concerto No.21.

Pieter Wispelwey partnered Eivind Aadland for a program that featured a performance of Shostakovich's 1<sup>st</sup> Cello Concerto.

Firebrand pianist Sergio Tiempo performed both Ravel concerti in one concert and rising star Javier Perianes partnered Eivind Aadland in Brahms Piano Concerto No.1.

Young stars included Lola Astanova who performed *Rhapsody in Blue* with conductor Gerard Schwarz and a solo piano recital in the QSO Studio.

The season ended with Chief Conductor Fritzsich in a program of Strauss tone poems and Ray Chen who made a triumphant return home to Brisbane with a performance of Tchaikovsky's Violin Concerto, a fitting conclusion to a great season.

# INTERNATIONAL ARTISTS 2013

## CONDUCTORS

Eivind Aadland  
Ottavio Dantone  
Tecwyn Evans  
Johannes Fritzsich  
Giovanni Reggioli  
Gerard Schwarz  
Edvard Tchivzhel  
Marco Zuccarini

Piers Lane  
Steven Osborne  
Javier Perianes  
Sergio Tiempo

## VIOLINISTS

Ray Chen

## CELLISTS

Simon Murphy  
Peter Wispelwey

## VOCALISTS

Matthew Brook

## PIANISTS

Lola Astanova  
Nikolai Demidenko  
Jayson Gillham  
Anton Kuerti

## WORLD PREMIERES

Mark Isaacs – Symphony No.1  
John Rotar – *At Wagner's Grave*  
Sean O'Boyle – *An Australian in New York*

## WORLD PREMIERE/CO-COMMISSION

Matthew Dewey – Ecstatic Visions (Double Concerto for Trumpet and Clarinet) QSO co-commission with Queensland Music Festival

# OUR STABILITY

Measures	Target	Result
Net profit as a percentage of income	0.2%	-2.0%
Gross profit on performances as a percentage	26%	26%
Ratio of reserves to operating costs	85%	78%
Total sponsorship and philanthropy income	\$1,438,512	\$2,585,575
Number of renewing and new subscribers	3,525	2,877
Number of single ticket buyers	31,000	30,047

QSO ended the year in a deficit position of \$273,013 an improvement of \$469,798 from 2012 (\$742,813) after excluding \$3,000,000 in grants from the Commonwealth Government and State Government. Total cash and term deposits at the end of the year were \$2,839,268 (at 31 December 2012: \$6,874,724).

Total ticket revenue for 2013 was 26% up on 2012 and sponsorship and donation revenue increased by 63% on 2012. The net contribution from all performances increased from \$339,418 in 2012 to \$499,708 in 2013.

There was positive growth in the value of cash and in-kind partnerships during 2013 with total partnerships of \$1,606,793 made up of \$1,333,165 of in-kind sponsorship and \$273,629 of cash sponsorship. This represented growth in total partnership income of 59% over 2012. Thirteen new partners were added during 2013.

QSO continues to work in partnership with Australia Pacific LNG with the support of new partners Gladstone Entertainment Centre and Gladstone Regional Council to provide sustainable regional community engagement and education programs. Other partners added to QSO's corporate community in 2013 included News Queensland, RACQ, Brisbane Marketing, APN Australian Regional Media, Australia Post, QantasLink, Business South Bank, Egon Zehnder, goa, Grace Removals, Rampant Technology and Rowland.

Donations in 2013 were \$975,400 an increase of 69% on 2012.

The end of year deficit position was an improvement from 2012, however this was due to the less than expected concert revenue from the two large specials for 2013. QSO remains committed to maintaining tight control over its outlays in order to ensure that it remains financially viable and continues to seek ways of increasing profitability from its performances and to grow its revenue base.

# OUR ACCESSIBILITY

<b>Regional</b>	
Workshops	1,074
Concerts	6,651
<b>Total audience regional</b>	<b>7,725</b>
<b>Metropolitan education</b>	
Workshops	1,588
Concerts	10,728
<b>Total audience education</b>	<b>12,316</b>
<b>Education concerts</b>	
Kiddies Cushion	6,277
Primary schools	2,043
Middle schools	1,355
Secondary schools	1,053
<b>Total</b>	<b>10,728</b>

# OUR ACCESSIBILITY

Measures	Target	Result
Number of people accessing free of charge performances and activities	5,000	18,700*
Number of participants in educational performances and activities	9,000	10,728
Number of people accessing regional performances	6,000	6,651
Website	2012	2013
Website visits	81,937	117,820

## Regional Touring

QSO's regional program in 2013 brought the QSO experience to audiences in the Gold Coast, Toowoomba, and the two major centres in the Fitzroy region, Rockhampton and Gladstone. Conductor Guy Noble presented an entertaining program at the Arts Centre Gold Coast in June featuring Principal Horn Malcolm Stewart as soloist while pianist Tamara Anna Cislowska performed with the Orchestra and Chief Conductor Johannes Fritzsich at Toowoomba's historic Empire Theatre in August. Later that month the QSO toured to Rockhampton and Gladstone strengthening our already strong relationships in that region. In Rockhampton two education performances, Music from the Movies on Tour, were presented for school children. Music from Classic Cinema and More, was a free community concert presented to a capacity audience at the Pilbeam Theatre. A number of individual and group workshops were presented in Rockhampton primary and high schools during this period. QSO's presence in Gladstone was made possible through the support of partner Australia Pacific LNG, the Gladstone Entertainment Centre, Gladstone Port Corporation and Gladstone Regional Council. An outdoor performance of Music from the Movies on Tour was attended by more than 500 children following which QSO presented its largest event outside of Brisbane, Music from Classic Cinema and More at the Marina Stage to an estimated audience of 2,400 people. QSO's presence in Gladstone was augmented by numerous individual and group workshops and masterclasses presented by musicians from the orchestra in a number of Gladstone schools, taking place over several weeks during the year.

## Regional education

**Live stream** of Secondary Showcase was delivered to 9 schools and 250 students in Gladstone. This is the second streaming opportunity for schools in Gladstone.

The first **web conference** featuring a Conducting workshop with Nathan Aspinall for six instrumental music teachers in Gladstone was delivered using the facilities of the Department of Education e-Learning department.

**Regional workshops** were delivered in:

Gladstone	String, brass, woodwind and percussion workshops	368 students
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	Community concert featuring local students and QSO musicians	115 audience
	Local adult community musicians and teachers	43
Rockhampton	String, brass and woodwind workshop	15 students
	Local adult community string orchestra workshop	20 musicians
	Performance of String Ensemble for adult community musicians	26 attendees
Mackay	Brass Ensemble workshops and primary school presentations	316 students 26 teachers
Toowoomba	String workshops	70 students
Gold Coast	Professional development for music teachers	40 teachers

**Education** concerts were delivered in:

Rockhampton	(provided free by ERM Power)	800
Gladstone	(provided by Australia Pacific LNG)	525

ERM Power provided students with the opportunity to attend mainstage concerts in:

Toowoomba	300 students
Gold Coast	100 students

A pre-concert talk for students, teachers and the general public was delivered prior to the Toowoomba Concert to more than 35 attendees.

## Metropolitan education

School partnerships were offered and presented as workshops, master classes and demonstrations to 12 schools for 822 students specifically, and indirectly to the general school populations.

The 2013 Music Teacher Professional Development day was held at the QSO with 260 music teachers attending.

The QSO's Young Instrumentalists Competition featured support of \$12,000 prize money from The English Family Prize for Young Instrumentalists. 21 applicants were auditioned, six finalists performed in a recital and one winner performed at the Secondary Showcase on 19 March. Audience numbers were 21 applicants, 77 people for recital and 1200 people for winner's performance.

Three Open Rehearsals were held in 2013 with a total of 408 students, teachers and members of community music education/ appreciation/performing groups attending.

\*Concert attendances based on best estimate

# OUR PEOPLE

To create an environment for success. To develop significant artistic and business leadership.

Measures	Target	Result
Percentage of employees in attendance for induction	100%	100%

Sophie Galaise joined QSO as our new Chief Executive Officer in June 2013 and brings tremendous international experience to QSO. In her former role as Executive Director of Quebec Symphony Orchestra, Sophie is credited with a financial turnaround of the organisation. We also welcomed Karen Soennichsen as our new Director – Marketing in April 2013.

We are very pleased that a number of musicians were appointed to positions with QSO during 2013. Huw Jones was appointed as Section Principal, Oboe; Glenn Christensen was appointed as Principal, Violin 1; Justin Bullock was appointed as Section Musician, Double Bass; and Natalie Low was appointed as Section Musician, Violin 2. Having these very talented musicians join our orchestra has added to our artistic vibrancy and enhanced the musical experience for our audience. We also bid farewell to Irene Garrahy in January. Prior to her retirement, Irene had played viola with QSO since 1991.

QSO aims to provide a safe and healthy workplace for all of our people. Following the annual hearing testing in January, we supplied new hearing protection for a number of players. Nine musicians received electronic plugs which increase attenuation as sound levels increase. We have continued our involvement in the *National Sound Practice Project*, led by Dr Bronwen Ackermann. The project is researching various aspects of injury prevention for musicians. Dr Ackermann presented to the orchestra on the findings of the *Sound Practice* team, including the need to take personal responsibility to reduce the risk of injury and the need to heed early signs of injury to prevent a more serious condition. Presentations have also been given on appropriate diet and hydration for optimum performance and reduction of the risk of injury. We continued our relationship with Pondera Physiotherapy and Pilates in 2013 with short physio sessions twice weekly and a weekly exercise / pilates class.

Sarah Wilson, Section Principal, Trumpet, was the recipient of the Ann Hoban Fellowship for 2013. With funding from the Ann Hoban Fellowship, Sarah attended the International Trumpet Guild Conference in Grand Rapids in the USA. Sarah also received coaching from renowned international trumpet players in Chicago and Cleveland.

QSO's new performance management process for management and staff was implemented in 2013. Each person had key objectives set for their performance for the calendar year, with two formal reviews being conducted. Strategies for professional development were also identified for each person.

The *Queensland Symphony Orchestra Musicians' Agreement 2013* was negotiated and certified during the year. As this Agreement was only for a one-year duration, a new Agreement has subsequently been negotiated with the Players' Committee and the Media, Entertainment and Arts Alliance for two further years.

Miranda Cass, our Media Relations Assistant, was successful in obtaining a grant from the Symphony Services International Arts Management Professional Development Fund. Miranda travelled to Scotland in November to work with the Scottish Chamber Orchestra in Edinburgh. Miranda was able to work behind the scenes in a different orchestra and gain new experiences to benefit her in her role with QSO.

An analysis of training needs for Microsoft applications was undertaken in 2013 and a program of training course attendances was initiated for our management and the people in their teams. Applications training will continue during 2014 and will build the skills and expertise of our people.



# OUR BOARD



## Greg Wanchap

Greg Wanchap is Principal of Crowe Horwath, Business Advisors and Chartered Accountants. He specialises in advising on mergers and acquisitions, corporate structuring, capital raisings and is a strategic advisor to many corporations and privately owned businesses.

Greg has been with Crowe Horwath for more than 25 years. Over the years, he has held various positions in the firm, including Chief Executive and Managing Partner. Greg holds a Bachelor of Business, is a Fellow of the Institute of Chartered Accountants, a Member of the Institute of Company Directors and a Fellow of the Institute of Chartered Secretaries.

Greg serves on a number of Boards and has served on QSO's Board since 2000, as Chairman for the past five years.



## John Keep

John Keep is Principal of TyTo Corporation, where he focuses on business growth through strategic alliances, business re-engineering and related corporate advice.

John's experience includes senior management roles with a number of high profile companies in the hospitality and the healthcare sectors. Previously he was the Group Company Secretary of the public company Castlemaine Tooheys Limited. John has a Bachelor of Arts majoring in Economics and Financial Studies from Macquarie University and studied at the European Institute of Business Administration in Fontainebleau, France.

John has served on QSO's Board since May 2009, and is currently Chairman of the Finance and Audit Committee.



## Tony Denholder

Tony Denholder is a Partner, and member of the Board, of Ashurst Australia. He is recognised as one of Australia's leading mining and infrastructure lawyers, and as a "market leader" in native title law. Tony is currently advising on the establishment of a number of the largest mining and infrastructure projects being developed in Australia (including new mines, rail lines and ports, and LNG projects).

Tony holds a first class honours degree in law from the Queensland University of Technology, and completed postgraduate studies at the University of Oxford (from which he was awarded a Bachelor of Civil Laws).

Tony serves on a number of Boards, including as Deputy Chairman of Expressions Dance Company, as a management committee member of the Queensland Public Interest Law Clearing House (one of Queensland's peak pro bono organisations) and was previously a director of Noel Pearson's Cape York Partnerships. Tony has served on QSO's Board since 2006, and is currently Chairman of the Artistic Committee.



## Jason Redman

Jason Redman has been Principal Trombonist of QSO since August 1990. He has appeared as a soloist with QSO on numerous occasions, and has performed as guest Principal with many other Australian orchestras.

Jason is also a Churchill Fellow, having studied with leading trombonists in the United States of America in 1996. Jason has a Bachelor of Music degree from Griffith University, and has been teaching trombone at the Conservatorium since 1998.

Jason has served on QSO's Board since 2009, and is currently a member of the Board Artistic Committee.



## Jenny Hodgson

Jenny Hodgson is Senior Producer with the Queensland Performing Arts Centre, where she produces a wide range of concerts, performances, events and festivals.

Previously she worked for the Queensland Philharmonic Orchestra for eleven years including seven as General Manager and managed projects with organisations such as the Queensland Conservatorium of Music, Griffith University. Jenny has a Bachelor of Arts from the University of Queensland, a Master of Business Administration from the Queensland University of Technology as well as an Associate in Music, Australia and Licentiate Trinity College London.

Jenny has served on QSO's Board since 2000.



## Tony Keane

Tony has over 30 years' experience as a business and finance executive having most recently been Head of Corporate Banking Queensland for National Australia Bank until August 2013. He now undertakes various finance advisory consultancies and is also a Non-Executive Director of National Storage Holdings Ltd.

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.



## Karen Murphy

Karen's diverse background brings a broad range of experience to the role of company director. Karen is currently the CEO of the Emergency Medicine Foundation, Managing Director of the SmartPlanner Group and non-executive Director with the Real Estate Institute of Queensland. Past leadership roles include GM – Maurice Blackburn Lawyers, CEO – RemServ, CEO – DonateLife, and as CEO of the Royal Children's Hospital Foundation where she rebranded with the highly successful Working Wonders campaign increasing top of mind awareness and doubling fundraising revenues to \$10 million over 5 years.

Karen has successfully led massive cultural and organisational change to drive growth or deliver program outcomes. Karen holds an MBA with distinction from Bond University, is a graduate of the Australian Institute of Company Directors, and a Fellow of the Australian Institute of Management.



## Marsha Cadman

Marsha is Group Manager Customer Strategy and Marketing at South East Water. She has extensive experience consulting on brand, marketing, communications, issues management and business strategy issues across a range of sectors including energy, water, financial services, education, health and agribusiness. Her previous experience includes senior executive roles with responsibility for brand, marketing, strategy, customer service and human resources.

Marsha has a Master of Business Administration from Macquarie Graduate School of Management and a Bachelor of Arts from University of Western Sydney.

Marsha has served on QSO's Board since January 2012.



# OUR MANAGEMENT

## Chief Executive Officer

Libby Anstis *(Interim CEO to May 2013)*  
Sophie Galaise *(from June 2013)*

## Chief Financial Officer

John Waight *(to November 2013)*  
Michael Clarke *(Interim CFO December 2013)*

## Director – Artistic Planning

Richard Wenn

## Director – Corporate Development and Sales

David Martin

## Director – Human Resources

Robert Miller

## Director – Marketing

Rachael Wallis *(to February 2013)*  
Karen Soennichsen *(from April 2013)*

## Director – Orchestra Management

Matthew Farrell

## Director – Philanthropy

Gaelle Lindrea

## Executive Assistant to the Chief Executive Officer

Ros Atkinson

## Administration Officer

Alison Barclay

## Accountant

Sandy Johnston

## Accounts Payable Officer

Donna Barlow\*

## Artistic Coordinator

Michael Sterzinger *(from September 2013)*

## Assistant Artistic Administrators

Nicola Manson *(to November 2013)*  
Kate Oliver *(to July 2013)*

## Education Liaison Officer

Pam Lowry\*

## Orchestra Manager

Nina Logan

## Operations Coordinator

Jacinta Ewers

## Orchestra Librarian/Work Health and Safety Coordinator

Judy Wood

## Assistant Librarian

Nadia Myers\*

## Assistant Librarian/Artist Liaison

Fiona Lale\*

## Production Manager

Peter Laughton

## Production Assistant

Vince Scuderi

## Philanthropy Officer

Lisa Harris *(from June 2013)*

## Philanthropy Services Officer

Birgit Willadsen

## Relationships and Sales Coordinator

Katya Melendez *(to August 2013)*

## Corporate Relationships Manager

Katya Melendez *(from September 2013)*

## Sales Officer

George Browning *(from November 2013)*

## Marketing Coordinator

Tegan Ward *(to May 2013)*

## Marketing Officer

Kendal Alderman

## Media Relations Assistant

Miranda Cass

## Marketing Officer, Digital

Zoe White *(from June 2013)*

\* Part time

# OUR PARTNERS

In 2013 QSO achieved significant growth in overall value of corporate partnerships.

There was positive growth in the value of cash and in-kind partnerships with total partnerships of \$1,606,793 made up of \$1,333,165 of in-kind sponsorship and \$273,629 of cash sponsorship. This represented growth in total partnership of 59% over 2012.

## HIGHLIGHTS 2013

- Thirteen new partners were secured during the year supporting various different QSO initiatives.
- Three new partners were secured to support QSO's education program in Brisbane: News Queensland, RACQ and Brisbane Marketing. This partnership assisted QSO in securing The Courier-Mail Piazza as a new home for its education concerts in Brisbane as well as greater exposure through a supporting media package.
- Gladstone Entertainment Centre and Gladstone Regional Council joined QSO to support the three year partnership with Australia Pacific LNG focusing on music education and community engagement in Gladstone.
- APN Australian Regional Media, Australia Post and QantasLink enabled QSO to gift a free community concert to the Rockhampton community in recognition of the devastating floods earlier this year.
- Other partners added to QSO's corporate community were: Business South Bank, Egon Zehnder, goa, Grace Removals, Rampant Technology, Rowland.

## GOVERNMENT PARTNERS



## CORPORATE PARTNERS



## MEDIA PARTNERS



## CO-PRODUCTIONS



# OUR DONORS

Queensland Symphony Orchestra is proud to acknowledge the generosity and support of our philanthropic donors. The continued support of passionate individuals is essential to ensure the Orchestra maintains the finest of artistic standards.

## PHILANTHROPY

### Patron (\$100,000 +)

Harold Mitchell AC  
The Pidgeon Family  
T & J St Baker Charitable Trust  
Arthur Waring  
Noel and Geraldine Whittaker  
Anonymous (1)

### Maestro (\$50,000 – \$99,999)

Bank of Queensland  
Tim Fairfax Family Foundation  
Prof. Ian Frazer AC and Mrs Caroline Frazer  
Jellinbah Group  
Dr Cathryn Mittelheuser AM  
John and Georgina Story  
Greg and Jan Wanchap

### Symphony (\$20,000 – \$49,999)

Dr Philip Aitken and Dr Susan Urquhart  
Philip Bacon Galleries  
Dr Julie Beeby  
The English Family  
Leonie Henry  
Mrs Andrea Kriewaldt  
Frances and Stephen Maitland OAM RFD  
Desmond B Misso Esq.  
In memory of Miss Margaret Mittelheuser AM  
Dr Graham and Mrs Kate Row  
Mrs Beverley J Smith  
Rodney Wylie

### Concerto (\$10,000 – \$19,999)

Dr Ralph and Mrs Susan Cobcroft  
Mrs Iris Dean  
Peggy Allen Hayes  
Gwenda Heginbotham  
Dr Les and Ms Pam Masel  
Mrs Rene Nicolaides OAM and the late Dr Nicholas Nicolaides AM  
Ian Paterson  
Hans and Heidi Rademacher  
Anne Shipton  
Dr Damien Thomson and Dr Glenise Berry  
Elinor and Tony Travers  
Anonymous (1)

### Scherzo (\$5,000 – \$9,999)

D.L. and J.E. Beal  
Trudy Bennett  
Dr John and Mrs Jan Blackford  
Dr John H. Casey  
Mrs Elva Emmerson  
Alan Galwey  
David and Janet Ham  
W.R. and L.M. Heaslop  
Dr Alison Holloway  
The Helene Jones Charity Trust  
John and Helen Keep  
Kathy and Henry Nowik  
Mr Jordan and Mrs Pat Pearl  
Mrs Gwen Warhurst  
Prof. Hans and Mrs Frederika Westerman  
Helen Zappala  
Anonymous (1)

### Rondo (\$1,000 – \$4,999)

Dr Geoffrey and Mrs Elizabeth Barnes  
Mrs Valma Bird  
In loving memory of John Tummons Brown a loyal supporter of QSO  
Mrs Georgina Byrom  
Marsha Cadman  
Peter and Tricia Callaghan  
Drew and Christine Castley  
Greg and Jacinta Chalmers  
Cherrill and David Charlton  
Mr Ian and Mrs Penny Charlton  
In memory of John Czerwonka-Ledez  
Laurie James Deane  
David Devine, Metro Property Development Pty Ltd  
Ralph Doherty  
In memory of Muriel Fletcher  
Chris and Sue Freeman  
Dr Bertram and Mrs Judith Frost  
C.M. and I.G. Furnival  
Marilyn George  
Mrs Patricia Gibson  
Dr Joan E. Godfrey, OBE  
Dr Edgar Gold AM and Dr Judith Gold CM  
Ian and Ruth Gough  
Dr Edward C. Gray  
Deirdre Greatorex (Hall), daughter of John Farnsworth Hall and member of the QSO  
Lea and John Greenaway  
Fred and Maria Hansen  
Yvonne Hansen  
Ashley Harris  
Lisa Harris

Miss Barbara Hawken  
Patrick and Enid Hill  
Sylvia Hodgson  
John Hughes  
Brendon and Shelli Hulcombe  
Sandra Jeffries and Brian Cook  
Ainslie Just  
Michael Kenny and David Gibson  
Dr Frank Leschhorn  
Rachel Leung  
Gaelle Lindrea  
Prof. Andrew and Mrs Kate Lister  
Mary Lyons and John Fardon  
In memory of Rosemary McKay  
Mrs Daphne McKinnon  
Jennifer McVeigh  
Annalisa and Tony Meikle  
In memory of Carol Ann Mills  
Barry, Brenda, Thomas and Harry Moore  
Howard and Katherine Munro  
The Murray Family  
John and Robyn Murray  
Ron and Marise Nilsson  
Mrs Leah Perry  
Jason and Lois Redman  
Dr Phelim Reilly  
In memory of Pat Riches  
Dr Spencer Routh  
Chris and Judith Schull  
Joy Sleigh  
Bernard and Margaret Spilsbury  
Mrs Anne Stevenson  
Barb and Dan Styles  
William Turnbull  
Mr Ian and Mrs Hannah Wilkey  
Anonymous (27)

### Variations (\$100 – \$999)

Mrs Penny Ackland  
Don Barrett  
Mrs Duchesne Barry  
William and Erica Batt  
Michael and Pamela Bell  
Miss Diane Bowman  
Manus Boyce  
Mrs Barbara Brice  
Deidre Brown  
Bev Burgess and Des Buck  
Professors Catherin Bull and Dennis Gibson  
Jean Byrnes  
Mrs Verna Cafferky  
Alison G. Cameron  
Ross and Dorothy Smith  
J.A. Cassidy  
Heather Castles  
Dr Alice Cavanagh  
Miss Rae Clark  
Mr Robert Cleland  
Mr Hans Conrad  
Mr Ronald Cork  
Mr William Cramp  
Ms Debra Cunningham  
Ms Rosalind Davis  
Prof. John Elkins  
John Evans  
Floranne and Garth Everson  
Ian and Kathy Fairbrother  
Miss Patricia Farrell  
Mr Derek Fielding  
Paul and Margaret-Ann Flood  
Mr John and Mrs Shirley Florence  
Darryn Gaffy  
Graeme and Jan George

Hans Gottlieb  
Ms Nola Graham  
Mr Neville Halligan OAM  
Madeleine Harasty  
Dr Ted Henzell  
Mr Lester Hiley  
Prof. Ken Ho  
Valerie and Peter Hurrell  
Mrs Barbara Jackson  
Mr Graham and Mrs Moira Jane  
John and Wendy Jewell  
Anna Jones  
Dr Ray and Mrs Beverley Kerr  
Mrs Nell Land  
Mrs H.G. Lehman  
Miss Dulcie Little  
The Honourable Justice J.A. Logan, RFD  
Mrs Janice Lose  
Susan Mabin  
Jim and Maxine MacMillan  
Donald and Joan Macnaught  
Miss Mary Marshall  
Phillip and Kaye Massie  
F. Matheson  
Ms Therese McCabe  
Mrs Helen McEwen  
Lynda Mitchell  
Mr and Mrs G.D. Moffett  
Dr Patricia O'Connor  
Trevor and Margaret Parkes  
Dr Demetri and Mrs Effie Patrikios  
Ms Gillian Pauli  
Tina Previtera  
Jack Price  
Mr Goetz and Mrs Helga Puetter  
Charles and Brenda Pywell

Mrs Dorothy Reeves  
Mr Dennis Rhind  
E. Riches  
Mrs Helen Rivers  
Colin Roberts  
Mrs Karryn Rogers  
Mr Peter Roney  
Rod and Joan Ross  
Mr Norman Rowley  
Mrs Elizabeth Russell  
Mrs Diana Shepherd  
Leslie Simkin  
Ms Antonia Simpson  
Judith Smith  
In memory of Geoff Spiller, late QSO trumpeter  
Mr and Mrs Srinivasan  
Miss Beres Stephenson  
Patience Stevens  
Mr Richard Taylor  
Rob and Noela Teakle  
Katherine Trent  
Ms Kay Trowbridge  
Mrs Helen Tully  
Mrs Margaret Twomey  
H.R. Venton  
Ms Margaret Wham  
Gillian Wilton  
Jeanette Woodyatt  
Sr Ruth Wyatte  
Anonymous (53)

### Donor (\$2 – \$99)

Mrs Jeannette Baker  
Mrs Agnes Boross  
Mr Michael Cohen  
Coralie Ellis  
Sr Crea Gallagher  
Mrs Iris Hatchman  
Mrs Maureen Javes  
Dr Norman Katter  
Joclyn Kennedy  
Mrs Joyce Mann  
Katherine Roberts  
Iain Saul  
Judith Turnbull  
Mrs Constance Waite  
Anonymous (4)

### John Farnsworth Hall Circle

Named in honour of the first Chief Conductor of QSO (1947-1954).

Roberta Bourne Henry

# CORPORATE GOVERNANCE

QSO has maintained sound corporate governance during 2013, 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 the Major Performing Arts Board of the Australia Council 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 Chairman 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 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 Chief Executive Officer. The chair is responsible for leadership of the Board, for the efficient conduct of the Board's functions and for the briefing of all board members in relation to issues arising at organisation board meetings. 2013 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 expeditiously 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 the Board to evaluate its 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 2013

Director (incl Board Responsibilities)	Profession	Skills
<b>Greg Wanchap</b> (Chairman)	Regional Financial Services Manager – Queensland Crowe Horwath	Corporate finance, business planning, mergers and acquisitions, corporate governance
<b>Jenny Hodgson</b>	Senior Producer – Programming Unit QPAC	Arts management and production, facilities and venue specialist, previous general manager of an orchestra
<b>Jason Redman</b>	Section Principal Trombone Queensland Symphony Orchestra	Orchestral musician
<b>Tony Denholder</b>	Partner Ashurst	Commercial law, government, major projects, resources and energy, native title
<b>Tony Keane</b> (Finance and Audit Committee)	Head of Corporate Banking Queensland for National Australia Bank until August 2013	Banking and finance, commerce
<b>John Keep</b> (Chairman, Finance and Audit)	Principal TyTo Corporation	Corporate governance, financial management and business development
<b>Marsha Cadman</b>	Director Broman Consulting	Marketing and brand strategy, communications, issues management
<b>Karen Murphy</b> (Finance and Audit Committee)	Chief Executive Officer Emergency Medicine Research Foundation	Governance, innovation, cultural change

### 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 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 policies and procedures.

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 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 QSO's annual 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. Occupational Health and Safety, 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 Chief Executive's office manages relationships with funding bodies, the Development and 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 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 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 to ensure 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 Chief Executive and Chief Conductor in managing day to day issues of an orchestra. The Director – Artistic Planning reports to the Chief Executive who has ultimate authority over artistic decisions.

## 8. REMUNERATE FAIRLY AND RESPONSIBLY

The Orchestra's 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 Chief Executive Officer, Chief Financial Officer and Chief Conductor, their remuneration levels and responsibilities are carefully considered by the Board. As part of the Chief Executive Officer'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. The musicians' Enterprise Agreement is regularly updated 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.

# OUR FINANCIALS

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**Queensland Symphony Orchestra Holdings Ltd**  
 A.B.N. 55 122 464 706  
 Directors' report for the year ended 31 December 2013

The directors present their report together with the financial report of Queensland Symphony Orchestra Holdings Ltd (the Company) for the year ended 31 December 2013 and the auditor's report thereon. The financial report represents the consolidated economic entity (the Group) comprising Queensland Symphony Orchestra Holdings Ltd and its controlled entity Queensland Symphony Orchestra Pty Ltd.

**DIRECTORS**

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

- G K Wanchap                      Chairman
- J Keep                              Chairman of Finance and Audit Committee
- T Denholder
- J E Hodgson
- J Redman
- T Keane
- M Cadman                      Resigned 29 January 2014
- K Murphy
- P Maxson                        Appointed 21 February 2014
- R Pilbeam                        Appointed 21 February 2014

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

**BOARD AND COMMITTEE MEETINGS**

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

Director	Queensland Symphony Orchestra Holdings Ltd		Queensland Symphony Orchestra Pty Ltd			
	Board		Board		Finance and Audit Committee	
	Held (A)	Attended (B)	Held (A)	Attended (B)	Held (A)	Attended (B)
G K Wanchap	1	1	11	11	10	9
T Denholder	1	-	11	5 (C)	-	-
J Keep	1	-	11	9	10	7
J E Hodgson	1	1	11	10	-	-
J Redman	1	1	11	9	-	-
T Keane	1	1	11	9	10	7
M Cadman	1	1	11	11	-	-
K Murphy	1	1	11	10	10	7

(A) represents the number of meetings for which the director was eligible to attend  
 (B) represents the number of meetings attended by the director  
 (C) the board excused Tony Denholder from attending the meeting on 29 May 2013 as he was representing the Queensland Symphony Orchestra Pty Ltd at a meeting on that day.

**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 152 performances during the twelve months ended 31 December 2013 including 52 pit services for performances of Opera Queensland and Queensland Ballet, and 28 performances as a hired orchestra. The majority of the company's concerts were held in Queensland Performing Arts Centre Concert Hall.

The net loss for the year ended 31 December 2013 was \$273,013 (year ended 31 December 2012 was \$2,257,189 net profit – which included Commonwealth and State funding of \$3,000,000 towards the Southbank Co-location project).

**STATE OF AFFAIRS**

In the opinion of the directors, there were no other significant changes in the underlying state of affairs of the group that occurred during the financial year under review.

**Queensland Symphony Orchestra Holdings Ltd**  
 A.B.N. 55 122 464 706  
 Directors' report for the year ended 31 December 2013

The group will be required to make contributions towards the Southbank Co-location project of \$1,000,000 during 2014 in addition to the \$4,000,000 contribution made in 2013, \$7,000,000 in 2012 and \$2,000,000 in 2011.

**DIVIDENDS**

No dividends were paid or proposed during the financial year.

**INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS**

**Indemnification**

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

**Insurance premiums**

During the financial year, the group has paid premiums in respect of directors' and officers' liability and legal expenses for the year ended 31 December 2013. 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 2014. Such insurance contracts insure persons who are or have been directors or officers of the group against certain liabilities (subject to certain exclusions).

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

**AUDITOR'S INDEPENDENCE**

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

**EVENTS SUBSEQUENT TO BALANCE DATE**

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

Signed in accordance with a resolution of the directors:

  
 Greg Wanchap  
 Chairman

Brisbane 26 MARCH 2014

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Statements of comprehensive income for the year ended 31 December 2013

	Note	Consolidated		Parent	
		31/12/13 \$	31/12/12 \$	31/12/13 \$	31/12/12 \$
<b>REVENUE</b>					
Funding revenue	2	10,362,194	13,180,810	10,116,194	9,946,760
Ticket sales	3	2,398,873	1,898,582	-	-
Sponsorship and donation revenue	4	2,585,575	1,583,089	-	-
Orchestral hire		638,552	707,539	-	-
Other revenue	5	352,901	646,751	-	-
		<u>16,338,095</u>	<u>18,016,771</u>	<u>10,116,194</u>	<u>9,946,760</u>
<b>EXPENSES</b>					
Employee expenses	6	10,576,943	10,362,399	-	-
Artists fees and expenses		934,371	968,138	-	-
Marketing expenses		691,245	585,179	-	-
Production expenses		1,254,916	1,049,792	-	-
Service fees		213,108	213,108	-	-
Depreciation and amortisation	6	131,031	88,151	-	-
Other expenses from ordinary activities		2,809,494	2,492,815	-	-
Funding expense		-	-	10,116,194	9,946,760
		<u>16,611,108</u>	<u>15,759,582</u>	<u>10,116,194</u>	<u>9,946,760</u>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<u>(273,013)</u>	<u>2,257,189</u>	<u>-</u>	<u>-</u>

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

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Statements of financial position as at 31 December 2013

	Note	Consolidated		Parent	
		31/12/13 \$	31/12/12 \$	31/12/13 \$	31/12/12 \$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	14	891,679	974,888	-	-
Trade and other receivables	7	126,036	226,075	-	-
Other	8	2,167,030	6,291,584	-	-
<b>TOTAL CURRENT ASSETS</b>		<u>3,184,745</u>	<u>7,492,547</u>	<u>-</u>	<u>-</u>
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	9	1,009,743	455,980	-	-
Southbank lease premium		13,834,112	14,000,000	-	-
Investment in controlled entities	10	-	-	985,395	985,395
<b>TOTAL NON-CURRENT ASSETS</b>		<u>14,843,855</u>	<u>14,455,980</u>	<u>985,395</u>	<u>985,395</u>
<b>TOTAL ASSETS</b>		<u>18,028,600</u>	<u>21,948,527</u>	<u>985,395</u>	<u>985,395</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	11	1,352,487	5,654,055	-	-
Deferred revenue	12	1,625,458	1,134,656	-	-
Provisions	13	2,073,359	1,886,598	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>5,051,304</u>	<u>8,675,309</u>	<u>-</u>	<u>-</u>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	13	207,505	230,414	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>207,505</u>	<u>230,414</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>5,258,809</u>	<u>8,905,723</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>12,769,791</u>	<u>13,042,804</u>	<u>985,395</u>	<u>985,395</u>
<b>EQUITY</b>					
Retained profits	19	12,769,791	13,042,804	985,395	985,395
<b>TOTAL EQUITY</b>		<u>12,769,791</u>	<u>13,042,804</u>	<u>985,395</u>	<u>985,395</u>

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



**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Statements of changes in equity for the year ended 31 December 2013

CONSOLIDATED	Retained Profits	Total
	\$	\$
As at 1 January 2012	10,785,615	10,785,615
Profit for the year	2,257,189	2,257,189
As at 31 December 2012	13,042,804	13,042,804
Profit for the year	(273,013)	(273,013)
As at 31 December 2013	12,769,791	12,769,791
<b>PARENT</b>		
	Retained Profits	Total
	\$	\$
As at 1 January 2012	985,395	985,395
Profit for the year	-	-
As at 31 December 2012	985,395	985,395
Profit for the year	-	-
As at 31 December 2013	985,395	985,395

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

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Cash flow statement for the year ended 31 December 2013

	Consolidated		Parent		
	Note	31/12/13 \$	31/12/12 \$	31/12/13 \$	31/12/12 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts in the course of operations		6,292,699	4,405,746	-	-
Cash payments in the course of operations		(20,278,766)	(15,351,266)	-	-
Cash payments to subsidiary		-	-	(10,116,194)	(9,946,760)
Grants received from government funding bodies		10,475,193	13,177,586	10,116,194	9,946,760
Payment for lease premium		-	(7,000,000)	-	-
Interest received		161,044	442,154	-	-
<b>Net cash provided by / (used in) operating activities</b>	14(b)	(3,349,830)	(4,325,780)	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds for term deposit investment		3,952,248	4,175,506	-	-
Payment for property, plant and equipment		(685,625)	(72,162)	-	-
<b>Net cash provided by / (used in) investing activities</b>		3,266,623	4,103,344	-	-
<b>Net increase/(decrease) in cash held</b>		(83,207)	(222,436)	-	-
Cash & cash equivalents at the beginning of the financial year		974,888	1,197,324	-	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	14(a)	891,681	974,888	-	-

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

## Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706

Notes to the financial statements for the year ended 31 December 2013

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

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

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

#### b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Queensland Symphony Orchestra Holdings Limited and its subsidiaries as at 31 December 2013. 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 2011. 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.

## Queensland Symphony Orchestra Holdings Ltd

A.B.N. 55 122 464 706

Notes to the financial statements for the year ended 31 December 2013

### 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.

#### Southbank lease premium

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

The Southbank lease premium is considered an intangible asset and not a lease. The arrangement includes upfront, non-regular payments and a termination clause.

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



**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Notes to the financial statements for the year ended 31 December 2013

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

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

**j) Impairment**

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

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

**k) Trade payables**

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

The carrying value of accounts payable approximates net fair value.

**l) Employee benefits**

**Wages, Salaries and Annual Leave**

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

**Long Service Leave**

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

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

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

**Superannuation Plans**

The group contributes to several defined contribution superannuation plans. Employer contributions in relation to the year ended 31 December 2013 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.

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Notes to the financial statements for the year ended 31 December 2013

**n) Going concern**

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

At 31 December 2013 the Group recorded a loss of \$ 273,013 and total assets exceeded total liabilities by \$12,769,791. The net working capital deficiency relates predominantly to unearned revenue of \$1,625,458 which is considered low risk of not being earned in 2014 and employee provisions of \$ 2,073,359, which based on patterns of realisation of leave liabilities, is unlikely to be paid in full within the next 12 months from the date of this report. Queensland Symphony Orchestra Holdings Ltd entered into a Tripartite Funding Agreement for a three year period commencing 1 January 2012 under which funding is provided to the group for the operation of the orchestra. The Board and Management also strictly monitors the performance of the business through budget and cash flow management and takes corrective action to increase revenue or minimise expenditure as and when it is required. Annual funding for Queensland Symphony Orchestra Holdings Ltd in respect of the year ended 31 December 2015 has been approved by Arts Queensland and Australia Council on 19 September 2013.

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



**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Notes to the financial statements for the year ended 31 December 2013

**2. FUNDING REVENUE**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Australia Council MPAB annual grant	7,237,106	7,111,934	7,237,106	7,111,934
Australia Council MPAB – dedicated grants	-	50,000	-	-
Arts Queensland annual grant	2,879,088	2,834,826	2,879,088	2,834,826
Arts Queensland – dedicated grants	95,000	91,000	-	-
Arts Queensland – Co-location Project	-	3,000,000	-	-
Brisbane City Council grant	40,000	40,000	-	-
Grants dedicated – non government	111,000	53,050	-	-
	<u>10,362,194</u>	<u>13,180,810</u>	<u>10,116,194</u>	<u>9,946,760</u>

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. The company has subsequently received written confirmation of the annual funding to be provided in respect of the year ended 31 December 2015. As required, these amounts are then funded to Queensland Symphony Orchestra Pty Ltd to operate Queensland Symphony Orchestra.

**3. TICKET SALES**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Subscription sales	1,105,895	1,032,940	-	-
Single ticket sales	1,292,978	865,642	-	-
	<u>2,398,873</u>	<u>1,898,582</u>	-	-

**4. SPONSORSHIP AND DONATION REVENUE**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Sponsorship	1,606,793	1,005,227	-	-
Guild membership	3,382	2,327	-	-
Donations	975,400	575,535	-	-
	<u>2,585,575</u>	<u>1,583,089</u>	-	-

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Notes to the financial statements for the year ended 31 December 2013

**5. OTHER REVENUE**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
From operating activities	161,044	442,154	-	-
Interest income	-	-	-	-
From outside operating activities	-	-	-	-
Other	191,857	204,597	-	-
	<u>352,901</u>	<u>646,751</u>	-	-

**6. OPERATING PROFIT FROM ORDINARY ACTIVITIES**

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

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Depreciation:				
Musical instruments	61,465	55,166	-	-
Office equipment	2,529	2,979	-	-
Furniture, fixtures and fittings	49,108	20,390	-	-
Computer equipment	17,929	9,616	-	-
	<u>131,031</u>	<u>88,151</u>	-	-
Lease rental expense – operating leases	31,487	31,954	-	-
Employee Expenses:				
Salaries & wages	9,131,340	8,914,550	-	-
Superannuation	1,234,403	1,207,151	-	-
Workers compensation	164,219	144,860	-	-
Redundancies	46,981	95,838	-	-
	<u>10,576,943</u>	<u>10,362,399</u>	-	-

**7. TRADE AND OTHER RECEIVABLES**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Current				
Trade debtors	30,466	171,036	-	-
Other debtors	95,570	55,039	-	-
	<u>126,036</u>	<u>226,075</u>	-	-

**8. OTHER CURRENT ASSETS**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Prepayments	219,443	391,748	-	-
Term Deposit Investments	-	-	-	-
Term Deposit Divestment Fund*	322,367	322,367	-	-
Term Deposit Reserve Incentive Scheme	1,251,000	1,251,000	-	-
Term Deposit Southbank Building Fund	374,220	4,326,469	-	-
	<u>2,167,030</u>	<u>6,291,584</u>	-	-

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

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Notes to the financial statements for the year ended 31 December 2013

**9. PROPERTY, PLANT AND EQUIPMENT**

	Musical instruments	Office equipment	Computer equipment	Furniture, fixtures and fittings	Musical Works	Total \$
<b>Cost</b>						
Opening balance	684,509	43,552	59,513	195,252	-	982,826
Additions	107,657	6,804	7,319	558,609	5,237	685,626
Disposals	(1,555)	-	(2,306)	-	-	(3,861)
Closing balance	790,611	50,356	64,526	753,861	5,237	1,664,591
<b>Accumulated depreciation</b>						
Opening balance	(347,344)	(41,130)	(20,162)	(118,210)	-	(526,846)
Depreciation expense	(61,465)	(2,528)	(17,930)	(49,108)	-	(131,031)
Disposals	1,555	-	1,474	-	-	3,029
Closing balance	(407,254)	(43,658)	(36,618)	(167,318)	-	(654,848)
Net book value, 31 December 2013	383,357	6,698	27,908	586,543	5,237	1,009,743
Net book value, 31 December 2012	337,165	2,422	39,351	77,042	-	455,980

**10. INVESTMENT IN CONTROLLED ENTITIES**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Investment in controlled entities, at cost	-	-	985,395	985,395
(Impairment loss) / Reversal of impairment	-	-	-	-
	-	-	985,395	985,395

**11. TRADE AND OTHER PAYABLES**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Trade creditors	283,127	62,888	-	-
Other creditors and accruals	69,360	591,167	-	-
Southbank Lease Premium Payable	1,000,000	5,000,000	-	-
	1,352,487	5,654,055	-	-

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Notes to the financial statements for the year ended 31 December 2013

**12. DEFERRED REVENUE**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
State funding received in advance	91,875	91,875	-	-
Federal funding received in advance	230,492	230,492	-	-
Brisbane City Council grant received in advance	15,000	15,000	-	-
Subscriptions received in advance	851,002	697,130	-	-
Other deferred revenue	437,089	100,159	-	-
	1,625,458	1,134,656	-	-

**13. PROVISIONS**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
a) Current employee benefits – Note 15	2,073,359	1,886,598	-	-
b) Non-current employee benefits – Note 15	207,505	230,414	-	-

**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	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Cash at bank	795,736	657,295	-	-
Southbank Building Fund	23,121	23,112	-	-
QSO Fund account	31,122	252,799	-	-
Sampson Library	41,700	41,682	-	-
	891,679	974,888	-	-

Total cash and term deposits at the end of the financial period are \$2,839,268 (at 31 December 2012: \$6,874,724).

**Queensland Symphony Orchestra Holdings Ltd**  
A.B.N. 55 122 464 706  
Notes to the financial statements for the year ended 31 December 2013

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

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Profit/(Loss) from ordinary activities	(273,013)	2,257,189	-	-
Less items classified as investing/financing activities:				
Loss on disposal of non-current assets	-	-	-	-
Add/(less) non-cash items:				
Amortisation	165,890	-	-	-
Charges to provisions	163,852	304,254	-	-
Disposal of fixed assets	833	17,566	-	-
Depreciation	131,031	88,151	-	-
Net cash (used in)/provided by operating activities before change in assets and liabilities	188,593	2,667,160	-	-
Change in assets and liabilities:				
(Increase)/decrease in receivables	100,039	22,458	-	-
(Increase)/decrease in other assets	172,306	(12,094,255)	-	-
Increase/(decrease) in accounts payable	(4,301,570)	5,082,081	-	-
Increase/(decrease) in deferred revenue	490,802	(3,224)	-	-
Net cash provided by operating activities	(3,349,830)	(4,325,780)	-	-

**15. EMPLOYEE BENEFITS**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Current	2,073,359	1,886,598	-	-
Non-current	207,515	230,414	-	-
	2,280,874	2,117,012	-	-

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	
	31/12/13	31/12/12	31/12/13	31/12/12
Assumed rate of increase in wage and salary rates	2.0%	2.5%	-	-
Discount rate	3.65%	2.68%	-	-
Settlement term	10 years	10 years	-	-

At year end, the group employed 104 full-time equivalent employees (2012: 105 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 \$1,234,403 (2012: \$1,207,151) for the group in relation to these schemes have been expensed in these financial statements.

**16. AUDITOR'S REMUNERATION**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
Auditing of the financial report	28,000	27,000	-	-
	28,000	27,000	-	-

No other benefits were received by the auditor.

**Queensland Symphony Orchestra Holdings Ltd**  
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Notes to the financial statements for the year ended 31 December 2013

**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 2013 QPAT held \$20,819 relating to 2014 performances.

**19. RETAINED PROFITS**

	Consolidated		Parent	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$	\$	\$	\$
General				
Retained profits at the beginning of the year	13,042,804	10,785,615	985,395	985,395
Net profit/(loss) from ordinary activities for the year	(273,013)	2,257,189	-	-
Retained profits at the end of the year	12,769,791	13,042,804	985,395	985,395

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

**20. COMMITMENTS**

The group has no significant commitments at balance date.

**21. SUBSEQUENT EVENTS**

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

**22. ADDITIONAL DISCLOSURES**

The special purpose financial report of Queensland Symphony Orchestra Holdings Ltd for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of directors on 26 March 2014.

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

114 Grey Street  
South Brisbane QLD 4101

The company's registered office address is:

114 Grey Street  
South Brisbane QLD 4101



**Directors' Declaration**

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

In the opinion of the directors:

- (a) the Company is not a reporting entity as defined in the Australian Accounting Standards;
- (b) The consolidated financial statements and notes of the Company are in accordance with the Tripartite Funding Agreement and the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the *Corporations Regulations 2001*;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Greg Wanchap  
Chairman

Brisbane 26 MARCH 2014

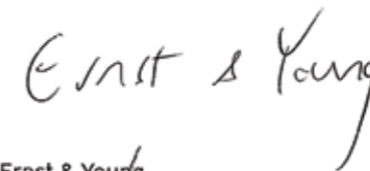


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### Auditor's independence declaration to the directors of Queensland Symphony Orchestra Holdings Limited

In relation to our audit of the financial report of Queensland Symphony Orchestra Holdings Limited for the financial year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Tom du Preez  
Partner  
26 March 2013



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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 2013, the statements of comprehensive income, statements of changes in equity and cash flow statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' responsibility for the financial report

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

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

### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Independence

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



## Opinion

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

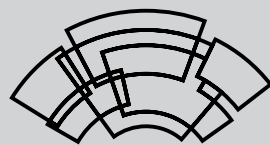
- a. giving a true and fair view of the company's and consolidated entity's financial positions as at 31 December 2013 and of their performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

## Basis of accounting

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

Ernst & Young

Tom du Preez  
Partner  
Brisbane  
26 March 2013



Queensland Symphony  
Orchestra

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