

# Annual Report



**2005**  
The Queensland Orchestra



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# Chairman's Report

CAROLYN J BARKER AM



Every great city needs a great orchestra. This report reflects the strength and growth of The Queensland Orchestra which in turn mirrors the growth of Brisbane City and the State.

For a second year in a row this fine Orchestra has delivered outstanding results both artistically and commercially. As such we are pleased to announce a surplus of \$150,000 for the 2005 calendar year. With a surplus forecast for 2006, these results represent a remarkable turnaround reflecting the Board and Management's strong business and strategic focus.

In 2005 we concentrated on further building audiences and developing closer business relationships with the corporate, academic and education communities. In real terms this translates to box office attendance increasing by 16.3% and box office revenue from subscription concerts growing by a remarkable 29.8%. Cash sponsorship also increased by 93%. These significant achievements were just a few of the many highlights of a sensational year and this success encouraged us to increase our targets for 2006.

In 2005 orchestras throughout Australia digested the recommendations of the Strong Review Report, an outcome of the Australian Government's *National Review of Australia's Symphony and Pit Orchestras*. In Queensland we have always maintained that since merging the state's two professional orchestras in 2001 we have had to sustain and grow the company while accommodating a major structural funding deficit. We are pleased this has been corrected with additional funding expected in late 2006 enabling the Orchestra to rely on greater reserves with confidence.

Artistic leadership is extremely important, and in 2005 we warmly welcomed the appointment of Artistic Advisor and Conductor Laureate Muhai Tang. Our Board's strategic visioning has always concentrated on "tomorrow". The Board initially established the Centre for Orchestral Futures, a working concept about how orchestras could best serve audiences in the future. More recently we made a strategic decision to enter into a unique partnership in a landmark Australia Resource Council (ARC) grant entitled *21<sup>st</sup> Century Orchestral Project*. Led by Queensland University of Technology and jointly partnered by the Brisbane Festival and 'dmand' (a Brisbane-based entertainment company), this innovative study seeks to develop new orchestral models for 21<sup>st</sup> Century orchestras. This is the first occasion that any Australian performing arts project has received such a substantial grant from the ARC. We are proud of our integral association with the project.

We are grateful for the continuing support of our major funders, the Federal Government through the Australia Council for the Arts and the Queensland Government through Arts Queensland. Their continued financial support and their confidence in the Orchestra is greatly appreciated.

I would like to thank the Brisbane City Council for their ongoing support as well as our much valued sponsors, financial contributors, supporters and stakeholders. On behalf of the Board I would also like to thank all our audiences without whose invaluable support we would have little purpose.

For accomplishing such outstanding success during 2005 through their obvious talent and hard work, a heartfelt thank you must go to our musicians and administration team. Specific mention goes to Claire Booth, our CEO since 2004, who leads the best arts administration team in Australia.

Since the Orchestra's inception in 2001 I have worked with a number of fine professionals on our Board. I continue to be impressed by their commitment and passion for orchestral music-making and I have always appreciated their open willingness to share ideas.

2006 will be my sixth year as Chairman of The Queensland Orchestra. I have enjoyed the challenge immensely and can see a positive future as the company moves to its next phase of development.

A handwritten signature in black ink, appearing to read 'Carolyn Barker', written in a cursive style.

**Carolyn J Barker AM**  
Chairman

# Board of Directors

## **CAROLYN J BARKER AM** *Chairman*

Ms Barker is the Chief Executive Officer of the Australian Institute of Management Qld & NT and Managing Director of The CyberInstitute Pty Ltd, the Institute's international online learning company. Well known in the arts community around Australia, Ms Barker contributes her skills in strategic planning, leadership development and corporate governance. She is a Fellow of the Australian Institute of Management and sits on the National Board of the Institute and is a board member of the Powerhouse Centre for Live Arts and the City of Brisbane Arts and Environment Trust. Ms Barker holds an undergraduate degree in Business and a Masters of Business Administration from the University of South Australia.



## **PROFESSOR ANDY ARTHURS**

Professor Arthurs is Queensland University of Technology's Creative Industries Head of Music and Sound and is an experienced performer, producer, publisher, composer and recording engineer. He gained a music honors degree at the University of Surrey, and upon graduating joined AIR Studios, (George Harrison's studio) and worked with many international artists. Professor Arthurs has worked on numerous Australian and international film, TV, video, multimedia and recording projects. He has been a member of the Arts Queensland Minister's Cultural Advisory Council, National Council for Tertiary Music, The Aboriginal Performance Centre, Music Council of Australia and QMusic. *Until 2 August 2005.*



## **JAN BOWE**

Ms Bowe has a wealth of experience in strategy, line management, human resources and industrial relations. She has worked across diverse industry sectors including banking and finance, mining, education and health. Ms Bowe has been active in the community and charities sector, particularly the Benevolent Society of NSW and Variety Club of NSW. Ms Bowe holds a Masters of Business Administration from the Melbourne Business School and a Bachelor of Health Administration from the University of New South Wales. *Until 24 November 2005.*



## **CRAIG CUNNINGHAM**

Mr Cunningham is Principal Tuba with The Queensland Orchestra. He is a graduate of the Queensland Conservatorium of Music and also spent time studying in the United States at Indiana University. Mr Cunningham has been a faculty member of the Queensland Conservatorium of Music, Griffith University, University of Queensland, Queensland University of Technology and University of Southern Queensland. *Until 28 May 2005.*



## **JENNY HODGSON**

Ms Hodgson is currently a Producer with the Programming Unit of the Queensland Performing Arts Centre. Ms Hodgson has also undertaken projects with the Queensland Conservatorium of Music, Griffith University as well as being the General Manager of the Queensland Philharmonic Orchestra for eleven years. Ms Hodgson holds a Bachelor of Arts from the University of Queensland, a Masters of Business Administration from the Queensland University of Technology, a Licentiate of the Trinity College of Music, London (pianoforte) and an Associate in Music, Australia (pianoforte).



## **IAN O'BRIEN**

Mr O'Brien is currently Principal Third Horn with The Queensland Orchestra after having prior experience with Orchestra Victoria, Tasmanian Symphony Orchestra, Sydney Symphony and Queensland Pops Orchestra. In addition, Mr O'Brien teaches horn at the University of Queensland. Mr O'Brien has an Honours Degree in Music Performance from the University of Queensland and has undertaken postgraduate studies in arts management and audiology. He also holds a Diploma in Audio Engineering. *Appointed 24 November 2005.*





### **DR MICHAEL O'LOGHLIN**

Dr O'Loghlin is a member of the bass section of The Queensland Orchestra. He has studied double bass, viola da gamba and historical performance practice in Vienna and Salzburg, with Nikolaus Harnoncourt among others. He also plays Baroque instruments, such as the viola da gamba and violone, in Brisbane's Badinerie Players. Dr O'Loghlin is an Honorary Research Adviser at the University of Queensland. He has a PhD in musicology, has written both scholarly and popular articles, and is now working on a book about music at the court of Frederick the Great, for the English publisher Ashgate. *Until 11 November 2005.*



### **MICHAEL P SMITH**

Mr Smith is an established leader in the global IT and telecommunication industry, having held various positions including Asia Pacific Vice President for Stratos Global Corporation, General Manager of Telstra's Global Satellite business, CEO of PT Jastrindl Dinamika as well as several other directorships. He is a well respected commentator in industry and consumer sectors and has appeared widely in print and the broadcast media. In November 2003, Mr Smith was appointed to lead operations in Queensland for Vodafone, the world's largest mobile phone company. *Appointed 21 December 2005.*



### **EMERITUS PROFESSOR PETER SWANNELL AM**

Professor Swannell is Chairman of the Empire Theatre's Board of Directors, (Australia's largest regional theatre), on behalf of the city of Toowoomba. He is also a Director of the Heritage Building Society and was formerly a member of the Executive of the Council of Australian Deans of Engineering and the Boards of Aarnet and IDP Education Australia Ltd. Professor Swannell's prestigious career in Civil Engineering education has included the University of Bristol, the University of Birmingham, the University of Queensland as well as being Vice-Chancellor and President of the University of Southern Queensland.



### **JANINE WALKER**

Ms Walker is Director of the Office of Human Resource Management of Griffith University and an Adjunct Professor in the University's Business School. Her work as an ABC broadcaster and newspaper columnist was followed by appointment to the Board of the ABC from 1991 to 1997 and as Chair of the Corporation's Audit Committee for four years. Ms Walker is a well known speaker and writer on workplace issues, a Councillor of the Queensland Division of the Australian Human Resources Institute and a Fellow of the Australian Institute of Management. She is Chair of the Council of All Hallows School and a member of the management committee of Sisters Inside. *Appointed 21 December 2005.*



### **GREG WANCHAP**

Mr Wanchap is the Managing Director of William Buck, business advisors and chartered accountants. He specialises in advising on mergers and acquisitions, corporate structuring, and capital raisings and is an advisor to corporations and privately owned businesses. Mr Wanchap holds a Bachelor of Business from Queensland University of Technology, is a Fellow of Institute of Chartered Accountants of Australia, Fellow of Taxation Institute of Australia, Associate of the Institute of Chartered Secretaries and Administrators, and Member of the Australian Institute of Company Directors. He is Chairman of the Finance and Audit Committee.

# Artistic Advisor's Report

MUHAI TANG



The Queensland Orchestra is a world class orchestra with a defining personality shaped by talent, class, diversity and great strength.

I was extremely proud to join the Orchestra as Conductor Laureate and Artistic Advisor in November 2005. Considering all the wonderful achievements the Orchestra had accomplished during that year, it was certainly an exciting time for me. I am delighted to be able to work with the entire Orchestra in supporting its ongoing development.

As your state orchestra, we want to give all Queenslanders the opportunity to experience memorable occasions of musical excellence. We seek to provide for a variety of musical tastes and interests through our concert series, from the great symphonic works presented through the Maestro Series or the Classical and Baroque music featured in Intimate Classics, to the popular themed concerts enjoyed through our interactive Clocktower series. Moreover, the growing popularity of our Music on Sundays, Tea and Symphony and the much-loved Proms concerts, confirm the expanding audience base of your Orchestra. The broad scope of this repertoire also showcases the Orchestra's definitive talents.

I am excited by the opportunities that I see ahead for the Orchestra over the next three years. I have made it my mission to create, with our tremendous musicians, performances that are powerful, moving and enriching The Queensland Orchestra's established reputation for artistic excellence.

A handwritten signature in black ink, appearing to read 'Muhai Tang'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Muhai Tang**

*Conductor Laureate and Artistic Advisor*

# 2005 Highlights

## SELL-OUT SUCCESS

Throughout 2005, The Queensland Orchestra produced an exciting program of musical excellence resulting in strong audience attendance, achieving many sell-out concerts across the quite diverse range of series and performances.

The ever popular Maestro series was consistently enjoyed by full houses with two concerts completely selling out. Furthermore, the final Maestro concert, *Ode to Joy*, was repeated. Audience favourites Music on Sundays, Clocktower and the Proms series also experienced sell-out performances. *The Last Night of the Proms* concert sold out more than a month before the performance.

In regional Queensland audiences filled local venues in order to hear it live, especially in Cairns and Toowoomba where the Orchestra's concerts were completely sold out. The Orchestra certainly struck a chord with Queensland's youngest generation and their parents, with the twenty scheduled Kiddies Cushion Concerts playing to sell-out audiences.



## WORLD'S BEST PERFORM WITH THE QUEENSLAND ORCHESTRA

The Orchestra performed with three of the world's best in 2005. In February, the Orchestra performed two concerts with internationally renowned crooner Harry Connick Jr, one in Brisbane and a second at the Gold Coast. Only a few weeks later, the Orchestra played to two sell-out audiences with the remarkable k.d. lang. In November, the Orchestra joined celebrated classical artist Luciano Pavarotti on the Brisbane leg of his worldwide farewell tour.

## TSUNAMI CONCERTS

Horrified by the devastation of the Asian tsunami, the Orchestra commenced its concert season early to perform four Kiddies Cushion Concerts to raise money for tsunami victims in Sri Lanka. The Orchestra donated all ticket sale proceeds from the *It's A Small World* concerts, conducted by Sean O'Boyle, to UNICEF's Tsunami Appeal in Sri Lanka. Our players and staff also donated money to the cause, enabling the Orchestra to provide UNICEF with almost \$10,000.



## VALUING OUR SPONSORS

The Queensland Orchestra's community of corporate stakeholders continued to grow strongly throughout 2005, as a result of the many and varied sponsorship options offered by the Orchestra's diverse range of concerts and activities, which incorporate unique entertainment, branding and networking opportunities. The Orchestra is encouraged by the considerable financial and in-kind support provided by its existing corporate partners. We look forward to providing further cross-promotional opportunities for new and renewing partners as our sponsorship portfolio develops.

From intimate corporate entertaining experiences and leadership workshops, to very popular concert partnership events and a range of regional initiatives, the Orchestra has tailored packages to deliver a variety of strategic partnership outcomes to government, national and boutique corporations, from industries as diverse as energy, aviation, property development and financial services. The Orchestra gratefully acknowledges the vital role played by its corporate partners in constantly developing high level advocacy for our organisation within the Queensland community.

## KNOWING THE SCORE

Boeing Australia, Concert Partner of *Ode to Joy*, the Orchestra's final Maestro series concert for 2005, joined the Orchestra for a leadership program with a real difference as part of its sponsorship arrangement. Twenty Boeing executives participated in the Orchestra's innovative leadership program called *Knowing the Score*. Led by conductor Brett Kelly, the executives were taught about communication, leadership styles and teamwork by observing the Orchestra for an afternoon from the unique vantage point of being positioned among the musicians. Feedback from the Boeing team confirmed they found the experience to be of great value. "*The whole experience was magnificent. It was uplifting and very different. It was an excellent portrayal of a large team working together,*" Boeing Team member.

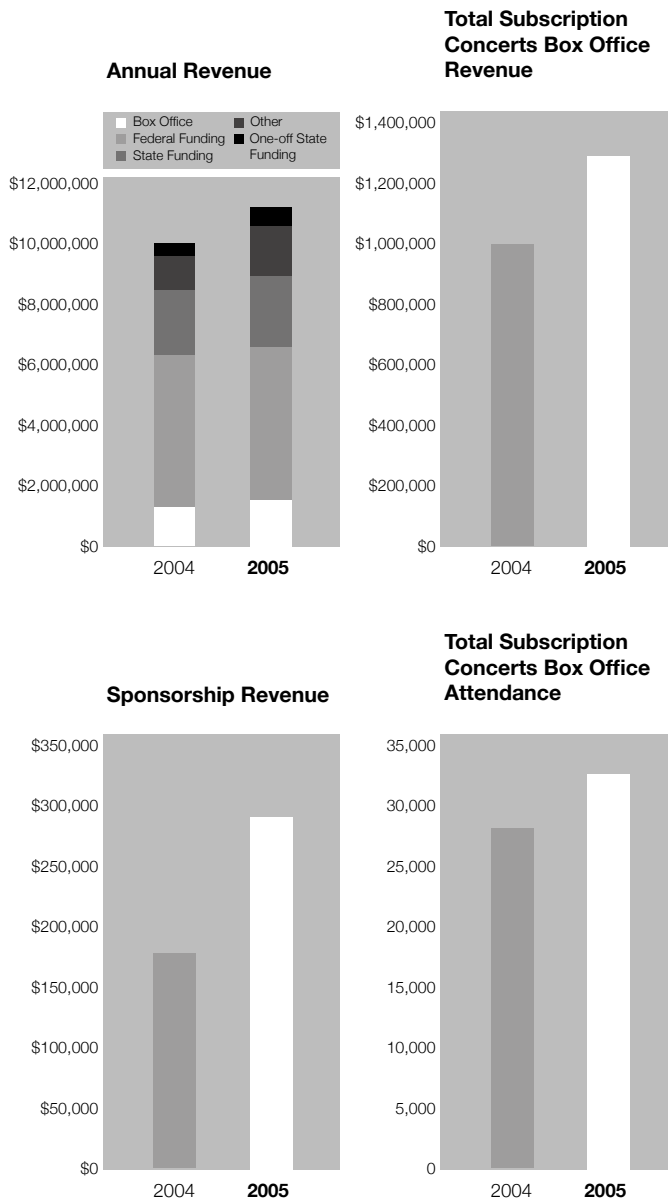


# Performance at a Glance

As with the previous year, 2005 saw considerable growth financially as well as substantial audience expansion. Box office revenue from subscription concerts increased by 29.8 % overall, with attendance also growing by 16.3% - double the increase achieved in 2004. Single ticket attendance for subscription concerts performed exceptionally well with a growth of 40%.

The Music on Sundays series experienced a 44% increase in sales revenue while the separation of the Clocktower and Proms series resulted in a 66% expansion in subscription sales revenue overall. The Gold Coast Series, Classic Selection, achieved a 112% growth in single ticket sales revenue.

Total box office revenue increased by \$249,650 to \$1,586,381 which was an 18.7% rise from 2004. Sponsorship revenue experienced an outstanding 67.5% growth on the previous year. Orchestra hire revenue increased by 21.5% and paid attendance at regional concerts improved by 22% from 2004.



# Strategic Drivers

During 2005, The Queensland Orchestra further developed its future strategic intent and direction. In continuing its vision *to touch the hearts and minds of Queenslanders through music*, the organisation also reaffirmed its purpose to be an orchestra that is fully engaged with its audience, with high levels of community ownership whilst maintaining strong financial viability. This vision and purpose are driven by six strategic objectives set by the Board and Management.

1. **ARTISTIC EXCELLENCE AND VIBRANCY** – to be an orchestra of the finest quality and to present a diverse range of concerts and activities which inspire audiences
2. **ENGAGEMENT AND ACCESSIBILITY** – to develop collaborative opportunities to grow and support communities through music and to produce an annual program of concerts and events which are accessible and appealing to a broad audience base
3. **EDUCATION AND LEARNING** – to develop educational programs that allow the Orchestra to directly engage with students and to facilitate learning opportunities for audiences of all ages
4. **NEW TECHNOLOGIES AND NEW MEDIA** – to establish an interactive community presence through which people can access and enjoy the Orchestra through new media avenues as well as technological advancements
5. **PEOPLE AND PROCESSES** – to attract great people by ensuring a high quality of management practices and administrative processes are implemented throughout the organisation
6. **FINANCIAL VIABILITY** – to maintain management and business practices that deliver financial sustainability



# Artistic Excellence & Vibrancy

## ARTISTIC ADVISOR APPOINTED

In October 2005, the Orchestra appointed internationally renowned conductor Muhai Tang as Conductor Laureate and Artistic Advisor for the next three years. Advancing the Orchestra's commitment to artistic excellence and development for the future, Maestro Tang will work with the Orchestra's musicians to further develop the artistic standards of the Orchestra, and to establish an artistic leadership framework for the future. Maestro Tang has extensive experience working with all members of the Orchestra through previous guest conducting roles with The Queensland Orchestra, as Chief Conductor of the former Queensland Symphony Orchestra as well as work with the former Queensland Philharmonic Orchestra.

## SUBSCRIPTION CONCERTS

The Orchestra presented six successful subscription series in Brisbane catering to a broad range of musical interests. Our flagship, the Maestro series, has developed a strong following among audiences who appreciate the bigger, classical works. Each series catered for distinct audiences and tastes. The Intimate Classics series, for example, featured works for smaller orchestra styles such as Baroque, while the Tea and Symphony series was designed for audiences who enjoy daytime classical music concerts.

Music on Sundays, Clocktower and Proms were designed to introduce new audiences to the joys of orchestral music by featuring more well-known or 'popular' music. Led by charismatic presenter Guy Noble, the Music on Sundays series featured popular classical works including those made famous through film and dance. The themed Clocktower concerts featured music from three forms of dance, Greek, Latin and ballet. All of the Proms concerts were well supported, with the final concert selling out considerably ahead of its performance date.

## AUSTRALIAN WORKS

The Queensland Orchestra prides itself on being a distinctly Australian orchestra and so makes certain that Australian repertoire is showcased. The Orchestra performed seventeen works by Australian composers throughout 2005; five of these works were Australian premieres. These home grown compositions were featured during the tour of north Queensland, in collaboration with Dance North in Townsville, as well as within the Maestro and In Studio series.

## IN STUDIO

This series was introduced to provide a showcase platform for contemporary Australian music. During 2005, the series comprised three concerts. The first concert featured the world premiere of internationally renowned conductor and violinist Wilfred Lehmann's *Concerto for Trombone*, a work scored for principal trombonist, Jason Redman.

The second concert, *Sounds of Brisbane*, featured the works of five emerging Brisbane composers, Dorin Baragan, Damien Barbeler, Luke Jaaniste, Lynette Lancini and Toby Wren. Lynette, Luke and Toby have each participated in the Orchestra's Composer Affiliate Program, which provides emerging composers the opportunity to liaise, learn from, work with and write for the Orchestra. The works performed were the result of their time within the program. The final concert in the series featured music composed by Dr Matthew Hindson, the Orchestra's composer-in-residence.



## INTERNATIONAL ARTISTS DEBUT

Committed to delivering audiences the highest quality of orchestral music experiences, the Orchestra engages the best artists from around Australia and the world. In 2005, seven of the world's best emerging artists and conductors made their debut with the Orchestra. At 25, Finnish conductor Pietari Inkinen is making his mark as a remarkable young conductor and Brisbane audiences were the first in the country to see him in action. Mr Inkinen joined the Orchestra to lead two Maestro concerts, one with his Finnish colleague, pianist Antti Siirala, as well as with 'rising star' pianist Freddy Kempf, who shone performing Rachmaninov's stirring Piano Concerto No.3.

Internationally renowned cellist, Englishman Paul Watkins made his Australian debut with the Orchestra in May, performing the emotion charged *Elgar Cello Concerto*. At 15, UK clarinet player Julian Bliss proved he had maturity well beyond his years whilst on his Australian debut tour in April. A favourite of the royal family, Julian delighted Brisbane audiences with a moving performance of Mozart's sublime Clarinet Concerto. Mozart was also the choice of internationally acclaimed UK pianist Paul Lewis who debuted with the Orchestra at its fourth Intimate Classics concert, *Eroica*.

Regarded as one of Scandinavia's leading international soloists, violinist Henning Kraggerud showed his prize-winning prowess when he debuted with the Orchestra in October. Popular conductors and artists who returned to Queensland during 2005 included UK conductor Paul Mann, Brandenburg Orchestra Artistic Director Paul Dyer, ACT Australian of the Year 2006, Dr Geoffrey Lancaster as well as recorder virtuoso Genevieve Lacey.

## RECORDINGS

Renowned for producing exceptional albums, The Queensland Orchestra released two new recordings with ABC Classics in 2005. The Orchestra joined with leading conductor Richard Bonyng and critically acclaimed pianist Simon Tedeschi to record *Piano Concertos Tchaikovsky/Greig*. Released in September, the CD featuring two of the greatest piano concertos of all time has received favourable reviews throughout Australia.

The Orchestra's second recording, *Rodrigo Guitar Works*, featuring Slava and Leonard Grigoryan was released in November to much acclaim. Conducted by Brett Kelly, the recording features three major works for guitar by Spanish composer Joaquin Rodrigo, and has also been positively received in the United Kingdom. More than twenty of the Orchestra's concerts were recorded by ABC Classic FM for broadcast on the station, with five concerts, including the Symphony Australia Young Performers Awards and four Maestro concerts, broadcast live to air.

## ARTIST-IN-RESIDENCE

Throughout 2005, the Orchestra featured the work of our artist-in-residence the internationally renowned didjeridu virtuoso William Barton. The program is designed to provide artists the opportunity to learn from and perform with the Orchestra. Together with Composer Emeritus Peter Sculthorpe, Mr Barton played with the orchestra at the final Maestro concert for 2005, *Ode to Joy*, performing the world premiere of Sculthorpe's *Beethoven Variations with Didjeridu*.

## COMPOSER-IN-RESIDENCE

The Orchestra appointed innovative Australian composer Dr Matthew Hindson as composer-in-residence during 2005. His compositions were featured widely in the Orchestra's 2005 program including a collaboration with Dance North in Townsville, during the *Enertrade Top Classics* tour of north Queensland, within an education concert and an In Studio concert was devoted purely to Dr Hindson's music. As part of this role, he was commissioned to compose a work for percussionist Evelyn Glennie to be played in early 2006.



## YOUNG INSTRUMENTALIST COMPETITION

Year 12 Stuartholme student Rhiannon Maynes was named Queensland's Young Instrumentalist of the Year in 2005. The young flautist won the competition, which is conducted by The Queensland Orchestra and Education Queensland, from a tough field of twenty entries coming from as far afield as Blackwater, Bundaberg, Toowoomba and the Gold Coast.

As the winner of the 2005 competition, Rhiannon performed as a soloist with The Queensland Orchestra and conductor Graham Abbott in the QPAC Concert Hall at the Secondary Schools Showcase Concert. She also participated in a mentoring program with the Orchestra's principal flautist, Patrick Nolan. The Young Instrumentalist Competition aims to assist the development of young musicians and has proved to be a springboard for musical careers. Previous winners of the award, including clarinetist Richard Haynes and trumpeter Kirsty Biggs, have since gone on to achieve industry recognition and growing success.

## SYMPHONY AUSTRALIA YOUNG PERFORMERS AWARD

In October, The Queensland Orchestra hosted the finals of the Symphony Australia Young Performers Award. Open to instrumentalists under the age of 30, it is the most prestigious classical music competition in Australia. The grand final, conducted by Nicholas Braithwaite, was strongly contested by 14-year-old Brisbane pianist Oliver le Meng She, and bassoonist Mark Gaydon, also a Queensland native. However, with an outstanding performance of Sibelius' Violin Concerto, Melbourne violinist Suyeon Kang won the celebrated Award which includes the opportunity to perform within the Symphony Australia network and the launch of a solo career.

## LEV VLASSENKO PIANO COMPETITION

The Orchestra was proud to host the final of the prestigious Lev Vlassenko Piano Competition in August. Under the direction of conductor Werner Andreas Albert, the Orchestra performed with each of the very talented finalists. Held in Queensland biannually, The Lev Vlassenko Piano Competition was established in memory of the world-renowned international concert pianist and teacher and seeks to encourage young pianists and assist in developing their performance skills. The winner of the 2005 Lev Vlassenko Piano Competition was Hoang Pham, with Ke Lin in second place.

## SYMPHONY AUSTRALIA CONDUCTOR DEVELOPMENT PROGRAM

As part of the Symphony Australia network, the Orchestra assisted with training for fifteen young Australian conductors. Led by course director, renowned UK conductor, Christopher Seaman, the training is designed to assist the conductors to fine tune their skills across a variety of programs and orchestral styles.

## FESTIVAL PARTNERSHIP

In partnership with the Queensland Music Festival and QPAC, the Orchestra presented one of the world's most remarkable multi-media presentations. Performing in QPAC's Concert Hall, alongside a line-up of some of Australia's finest musicians and actors, our 110 strong Orchestra accompanied musicians performing live in Jerusalem, Istanbul and Belfast via satellite. Three giant screens above the stage transported the audience to a street procession in the Middle East, a mosque in Istanbul, a Jewish temple in Jerusalem and a concert hall in Belfast. An event of enormous scale and logistical bravery, *CREDO - The Innocence of God* was a multi-media music-theatre concert, layered with literary and poetic imagery. Composed and conducted by Andrea Molino, CREDO was a project by Fabrica with the Badisches Staatstheater Karlsruhe.

## ORCHESTRA INITIATIVES

In an effort to ensure a vibrant artistic culture, an Artistic Committee encompassing members from the Orchestra's different sections along with the Artistic Administrator meets ten times a year. This consultative committee provides advice to the Board on artistic matters and discusses matters of artistic importance including programming, conductors and standards. In 2005, an area of priority for the committee was artistic leadership.

# Engagement & Accessibility

As the state's only professional symphony orchestra, The Queensland Orchestra is committed to ensuring Queenslanders access to the joy of the orchestral music experience. The assistance of government, corporate and community partners enable the Orchestra to tour regional areas of Queensland so that our music can be experienced and enjoyed outside the concert halls of Brisbane.

## ENERTRADE TOP CLASSICS TOUR

The Orchestra's 2005 tour of northern Queensland proved to be one of its most successful. Concluding with a sell-out concert in Cairns, the Orchestra's *Enertrade Top Classics* tour included performances in Rockhampton and Townsville, playing to total audiences of around 4000. Drawing an encore performance at each location, the Orchestra entertained around 1700 people at its three evening concerts, which included a program of contemporary Australian works as well as classics such as Beethoven's Fifth Symphony.

Led by engaging conductor Guy Noble, the tour also included two education concerts at each location, which were attended by almost 2200 students. More than 150 students benefited from instrumental workshops held with Orchestra musicians, as part of a 2005 initiative, called *The Club*. The *Enertrade Top Classics* tour was facilitated by the support of tour partner, wholesale energy trading corporation Enertrade, who has provided considerable sponsorship for the Orchestra's regional activities during the past three years.

## PRODUCTIVE TOOWOOMBA PARTNERSHIP

In April, the Orchestra commenced the first year of a five year partnership with the Empire Theatre in Toowoomba, staging a *Top Ten Classics* concert. Aptly named, the program featured the top ten works as chosen by audiences throughout the state, including Toowoomba, when surveyed in 2004. The extremely successful concert sold out the 1500 seat Empire Theatre, the largest regional theatre in Queensland.

School students from Toowoomba responded overwhelmingly to the opportunity to learn from The Queensland Orchestra musicians with almost forty attending instrumental workshops and hundreds joining a pre-concert talk from the Orchestra's Education Officer. We are delighted that this exciting partnership has resulted in more audiences throughout Queensland having access to the Orchestra.

## DANCE NORTH COLLABORATION

Also in April, The Queensland Orchestra and contemporary dance troupe Dance North joined forces to present an exclusive night of entertainment in Townsville. In a special collaboration, six dancers from Dance North performed alongside a string quartet from The Queensland Orchestra in the Townsville School of Arts Theatre. This extraordinary event was the first time Dance North and the Orchestra had collaborated. The Orchestra's participation in this initiative was made possible by sponsorship support provided by Enertrade.



## LISTEN AND TALK

As a vital part of the community, the Orchestra is always exploring new ways to share the joy of music and enable residents to get to know and engage with their Orchestra.

Introduced in 2005, *Listen and Talk* is a program of community concerts in public places, developed to do just that. The program saw ensembles perform fifteen community concerts throughout the year. Ten performances were held in libraries across Brisbane, two concerts were held in the atrium of the Royal Brisbane Hospital for patients, staff and visitors, while three others were performed for sick children in the Mater Children's Starlight Room. As part of the performances, members of the community were encouraged to ask questions and talk with the musicians.

## X-COLLECTIVE TOURS REGIONAL QUEENSLAND

The Queensland Orchestra's cabaret ensemble, X-Collective, received rave reviews during their tour of ten regional towns in August. Presented by Queensland Arts Council and The Queensland Orchestra, the tour travelled to Ipswich, Stanthorpe, Goondiwindi, Miles, Oakey, Esk, Maleny, Childers, Monto and Moranbah.

Demonstrating the musicians' diversity and talent, the unique cabaret-style program combined classical music with jazz, comedy and dance. Prior to touring, X-Collective held a charity Brisbane concert in the Orchestra's studios, from which the proceeds of \$1000 were donated to the Royal Children's Hospital Foundation.

## SUCCESSFUL COLLABORATIONS

A proud supporter of the arts in Queensland, the Orchestra was pleased to perform with Opera Queensland, Queensland Ballet and the Australian Ballet. The Orchestra accompanied Opera Queensland productions - *La bohème*, *Turn of the Screw* and *The Marriage of Figaro*. The Orchestra also performed with Queensland Ballet in their successful production of *A Thousand and One Nights*, and the Australian Ballet's *Swan Lake*. The Orchestra was also delighted to join QPAC and its home companies in the very successful audience development initiative, Performing Arts Variety Pack, which offered a package of five concerts, one from each of the organisations, at a discounted price, this offer was made possible with the support of Arts Queensland.



## THE CLUB

A pilot program for 2005, *The Club* aims to encourage and support teachers as creative artists as well as provide musicians the opportunity to share their expertise and interact with the wider community. In 2005, two Brisbane schools and four regional Queensland centres participated in *The Club*. A total of forty-nine workshops were conducted across Queensland, in Toowoomba, Rockhampton, Townsville, Cairns and Brisbane. In 2005, *The Club* reached 500 young people, involving twenty-five instrumental and classroom music teachers and twenty of the Orchestra's musicians.

Recognised at the National Education and the Arts Symposium *Backing our Creativity*, run by The Australia Council, *The Club* is designed to suit each participating school's individual needs, for both instrumental and classroom music teachers in Primary and Secondary schools. In 2006, *The Club* will continue to engage with music making communities throughout Queensland to build on established relationships and to develop new ones.

## SCHOOLS CONCERTS

Throughout 2005, the Orchestra presented a variety of Showcases designed specifically for students from Secondary School, as well as Middle School and Primary School aged children. A new format for these concerts, developed for 2005, involved a 'famous face' and a conductor co-presenting the shows.

The Secondary Showcase concert entitled *Evolution* met with much enthusiasm with contributions from Scott Hocknull, a palaeontologist from the Queensland Museum, well known conductor Graham Abbott, as well as soloist Kate Miller-Heidke. Rhiannon Maynes, the 2005 Young Instrumentalist Competition winner, joined the Orchestra to perform two movements from Gordon Jacob's *Concerto for Flute and Orchestra*.

More than 2000 students attended the Middle School concerts, *What's the Story*, which featured award-winning author, James Moloney, as the 'famous face'. Conductor Peter Luff and soloist Richard Haynes also contributed to the presentation. Olympic swimmer, Julie McDonald and conductor, Michael Christie engaged over 3000 Primary School students in the *Champions and Celebrations* concerts. With excellent contributions also made by Richard Haynes, soloist on clarinet and composer-in-residence, Dr Matthew Hindson.





## KIDDIES CUSHION CONCERTS

The 2005 Kiddies Cushion Concert series was a consummate success with a totally sold out season. More than 4000 children, parents and teachers enjoyed these uplifting concerts. Conducted by Sean O'Boyle and presented by Vivienne Collier-Vickers, these energetic and engaging performances present the wonder and magic of orchestral music to some of our youngest audience members.

# New Technologies & New Media

In an exciting first, The Queensland Orchestra's 2006 season launch was webcast live to enable supporters of the Orchestra throughout the state to be able to join in the occasion. With just a few clicks of a mouse, supporters were able to enjoy every minute of the launch in real time. For those who were unable to listen to the webcast live, a recording of the launch was made available on the Orchestra's website.

In 2005, the Orchestra participated in the ground breaking interactive performance *CREDO - The Innocence of God* as part of the Queensland Music Festival. This was an exciting and innovative look at the use of new media with Orchestra. Preliminary work was also undertaken to develop a new commercial enterprise, entitled *Internet Classics* which was designed to exploit advancements in new technologies including the website.



## AUSTRALIAN RESEARCH COUNCIL GRANT

Toward the end of 2005, the Orchestra announced its involvement in an important Australian Research Council endeavour, the *21<sup>st</sup> Century Orchestral Project*. As an organisation committed to sustainability, The Queensland Orchestra is actively supporting this new research investigating orchestral models for the twenty-first century. Funded by the Australian Government through an Australian Research Council Grant, the project is being conducted by the Queensland University of Technology Queensland along with partners the Brisbane Festival and Brisbane entertainment company 'dmand'.

The research project is examining orchestras in all facets, considering both past and current models, and is driven by three fundamental themes, an immersive experience, a fusion of styles and media as well as networks and relationships. This project is providing valuable research for the Orchestra's future new media activities.

# People & Processes

## INTERNAL COMMUNICATIONS

In 2005 a commitment was made to improving internal communications via the development of an intranet. In line with these developments a fully functional intranet will be available in 2006. A number of other website research activities were undertaken and are expected to reap benefits in 2006.

## PROFESSIONAL DEVELOPMENT

In 2005 two of our Orchestra members were awarded the Ann Hoban Fellowship to continue professional development in their particular area of interest. Andrew Knox, percussionist/timpanist took leave to study in the UK. Principal Bassoonist, Nicole Tait travelled to Germany and other countries in Europe as part of her fellowship study.

## ADMINISTRATIVE REVIEW

During 2005 a comprehensive review of the Administrative team structure and internal processes was undertaken by a well known Brisbane firm, The Consultancy Bureau. As a result a number of department structural changes were implemented. These include the appointment of a part-time internal Human Resources Consultant. Key HR policies have also been updated as a result of the review. Other structural changes are foreshadowed for 2006.



# Chief Executive Officer's Report

CLAIRE BOOTH



I am delighted to report on another successful year for The Queensland Orchestra. We continued our focus on achieving artistic excellence and financial sustainability. The outcome of this is unmistakable – we produced consistently high quality concerts and received outstanding reviews and positive feedback from our audiences.

2005 was a wonderful year with sell-out performances across our concert series, successful development of both our educational and regional programs, not to mention the tremendous support the Orchestra has received from our local community.

Noticeable highlights of the year included the immense popularity of the Orchestra's flagship Maestro series. Sell-outs concerts were also enjoyed in Music on Sundays, Clocktower and the Proms series. The Orchestra's popular Kiddies Cushion Concerts also played to sell-out audiences across the year.

In October of 2005, we were delighted to welcome internationally renowned conductor Muhai Tang as the Orchestra's Artistic Advisor and Conductor Laureate. Over the next three years Maestro Tang's talents and his passion for the Orchestra will continue to develop the world class orchestra Queenslanders have come to enjoy.

The high class of artistic excellence the Orchestra was able to provide during 2005 has been significantly achieved through the generous and critically valued contributions from our major funders the Australian Government through the Australia Council for the Arts, and the Queensland Government through Arts Queensland. I am also grateful for the continued support of Brisbane City Council and all our Guild members, donors and supporters throughout the Queensland community. We experienced a growth in sponsorship during 2005 and so were able to create some very innovative partnerships for which we would like to thank our sponsors, we greatly appreciate their support and professionalism.

I am also extremely grateful to our ticket buying public for their continued support throughout 2005. In particular I would like to thank those who took the time to provide valuable feedback and comments throughout the year. This feedback assists significantly in helping us improve our service and commitment to our audiences.

I would like to personally thank our musicians for their efforts in 2005. It was a year packed full of activities and their commitment to our vision is much appreciated. Congratulations to you all. I am also very grateful and thankful for the contribution and commitment of our fine administrative team. Their hard work and passion for the Orchestra in 2005 was outstanding.

I would also like to thank the Chairman, Carolyn Barker, and her fellow Board Members for their wonderful support throughout 2005.

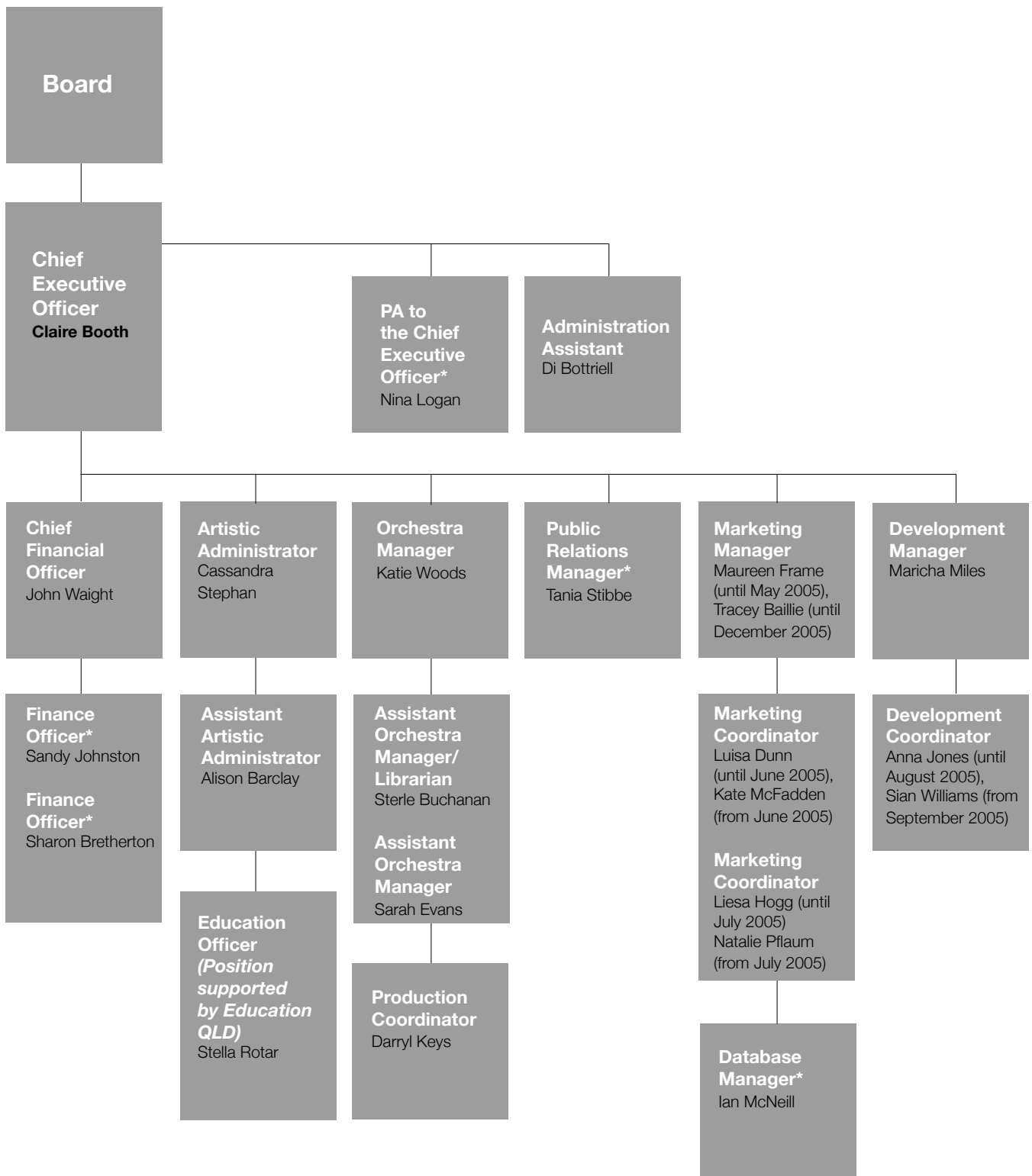
I am delighted with our outstanding achievements over this past twelve months.

A handwritten signature in black ink that reads "C. N. Booth". The signature is written in a cursive, flowing style.

**Claire Booth**  
*Chief Executive Officer*

# 2005 Our People

## MANAGEMENT AND STAFF



\* Part-time Positions

# 2005 Our People

## THE QUEENSLAND ORCHESTRA PLAYERS

### CONDUCTOR LAUREATE AND ARTISTIC ADVISOR

Muhai Tang

### PRINCIPAL GUEST CONDUCTOR

Michael Christie

### CONCERTMASTERS

Warwick Adeney  
Alan Smith

### ASSOCIATE CONCERTMASTER

Lynn Cole Levy

### VIOLIN

Gail Aitken \*  
Wayne Brennan \*  
Nicole Hammill ^  
Faina Aegerter  
Jane Burroughs  
Linda Carello  
Margaret Connolly  
Kevin Deland  
Simon Dobrenko  
Vojtech Hlinka  
Priscilla Hocking  
Ann Holtzapffel  
Nicola Manson  
Tim Marchmont  
Frances McLean  
Stephen Phillips  
Lyn Powell  
Joan Shih  
Paulene Smith  
Rachel Smith  
Brenda Sullivan  
Agoston Tamas  
Helen Travers  
Brynley White  
Harold Wilson

### VIOLA

Jann Keir-Haantera \*  
Bernard Hoey +  
Yolande Barrett  
Irene Garrahy  
Kirsten Hulin-Bobart  
Fiona Lale  
Helen Poggioli  
Graham Simpson  
Paula Stofman  
Nicholas Tomkin

### CELLO

David Lale \*  
Matthew Kinmont +  
Kathryn Close  
Andre Duthoit  
Matthew Farrell  
Matthew Jones  
Kaja Skorka  
Jenny Stokes  
Craig Allister Young

### DOUBLE BASS

John Fardon \*  
Dushan Walkowicz +  
Anne Buchanan  
Michael O'Loughlin  
Ken Poggioli  
David Sandercoe

### FLUTE

Patrick Nolan \*  
Chas Bromley  
Janine Grantham

### PICCOLO

Jeanette Manricks \*

### OBOE

Sarah Meagher \*  
Duncan Tolmie \*

### COR ANGLAIS

Alexa Murray ^

### CLARINET

Nicholas Murphy \*  
Brian Catchlove +  
Kate Travers

### BASS CLARINET

John Harrison \*

### BASSOON

Nicole Tait \*  
Hugh Ponnuthurai i  
Judy Wood

### FRENCH HORN

Andrew Bain \*  
Michael Dixon i  
Ian O'Brien \*  
Vivienne Collier-Vickers  
Jan Key  
Roy Lehton

### TRUMPET

Richard Madden \*  
Paul Rawson +  
John Gould

### TROMBONE

Jason Redman \*  
Kevin Brown

### BASS TROMBONE

Tom Coyle \*

### TUBA

Craig Cunningham \*

### HARP

Jill Atkinson\*

### TIMPANI

Tim Corkeron \*

### PERCUSSION

David Montgomery\*  
Andrew Knox i

### ARTIST-IN- RESIDENCE

William Barton

### COMPOSER-IN- RESIDENCE

Matthew Hindson

\* Principal Player  
i Associate Principal  
Player  
# Guest Principal Player  
^ Acting Principal Player  
+ Acting Associate  
Principal Player



The Orchestra's vision is  
to touch the hearts & minds  
of all Queenslanders





# 2005

## ANNUAL FINANCIAL REPORT

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# Directors' Report

A.B.N. 97 094 916 444

FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report together with the financial report of The Queensland Orchestra Pty Ltd (the Company) for the year ended 31 December 2005 and the auditor's report thereon.

## DIRECTORS

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

<b>C J Barker AM</b>	Chairman
<b>A Arthurs</b>	Resigned 2 August 2005.
<b>J M Bowe</b>	Resigned 24 November 2005.
<b>C W Cunningham</b>	Resigned 28 May 2005.
<b>J E Hodgson</b>	
<b>D Montgomery</b>	Appointed 24 November 2005.
<b>I M D O'Brien</b>	Appointed 24 November 2005.
<b>M A O'Loghlin</b>	Resigned 11 November 2005.
<b>M P Smith</b>	Appointed 21 December 2005.
<b>P Swannell AM</b>	
<b>J M Walker</b>	Appointed 21 December 2005.
<b>G K Wanchap</b>	Chairman of Finance and Audit Committee.

## 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 number of meetings attended during that period are:

Director	Board		Finance and Audit Committee	
	Held (A)	Attended (B)	Held (A)	Attended (B)
C J Barker	15	12		
A Arthurs	10	8		
J Bowe	14	11		
C Cunningham	8	7		
J Hodgson	15	9		
D Montgomery	2	0		
I O'Brien	2	2		
M O'Loghlin	13	13		
M Smith	1	1		
P Swannell	15	11	11	8
J Walker	1	1		
G Wanchap	15	12	11	11

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

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

The Executive, Artistic, Development/Marketing/PR Committees also met during the course of the year on an as needs basis.

## PRINCIPAL ACTIVITIES

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

## REVIEW AND RESULTS OF OPERATIONS

The operating profit for the year to 31 December 2005 was \$150,988 (year ended 31 December 2004: \$56,667 profit).

The company presented 90 performances during the twelve months ended 31 December 2005. The majority of the concerts were held in The Concert Hall, Queensland Performing Arts Centre, Brisbane City Hall and the Conservatorium Theatre South Bank. In addition, the company provided pit services for a further 39 performances of the Queensland Ballet, Opera Queensland and Australian Ballet.

## STATE OF AFFAIRS

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

## LIKELY DEVELOPMENTS

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

A Commonwealth Government review into national orchestras was conducted in 2004 with published recommendations being made in 2005. It is anticipated that the Company will be divested from the Australian Broadcasting Corporation within the next 12 months. The Company will incur additional costs as a result of the divestment and will seek additional funding in order that the Company and its employees are not disadvantaged by the transition.

## 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, other than set out in the following paragraph, the company has not indemnified nor made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the company.

### Insurance premiums

During the financial year, the company has paid premiums in respect of directors' and officers' liability and legal expenses for the year ended 31 December 2005. Since the end of the financial year, the company has paid or agreed to pay premiums in respect of such insurance contracts for the year ended 31 December 2005. Such insurance contracts insure persons who are or have been directors or officers of the company 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 auditors, this report can be found on page 45.

## EVENTS SUBSEQUENT TO BALANCE DATE

At the date of signing this report, the directors of the company believe that it is appropriate to prepare the accounts on a going concern basis. As outlined in Note 1, however, the company's ability to continue as a going concern continues to be dependant upon the ongoing financial support provided by grants from the Federal and State Governments and the ability of the company to:

- meet the income forecasts for ticket sales, sponsorship and hire of the orchestra to third parties;
- ensure that expenses are well controlled and do not exceed those budgeted;
- have strategies in place to cover any cashflow shortfalls within this time period.

No other events have occurred subsequent to balance date that materially affect the accounts and are not already reflected in the statement of financial performance and statement of financial position.

Signed in accordance with a resolution of the directors:



**Carolyn J Barker AM**  
*Director*

Brisbane  
14 June 2006

# Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	31/12/05	31/12/04
		\$	\$
<b>REVENUE</b>			
Funding revenue	2	8,312,823	7,855,768
Ticket sales	3	1,586,381	1,336,731
Sponsorship and donation revenue	4	329,578	220,297
Orchestral hire		505,144	415,734
Other revenue	5	273,254	180,807
		11,007,180	10,009,337
<b>EXPENSES</b>			
Employee expenses		7,496,231	7,089,768
Artist's fees and expenses		533,308	419,767
Marketing expenses		555,049	473,760
Production expenses		758,751	623,796
Service Fees		424,993	450,546
Depreciation and amortisation	9	52,071	53,628
Other expenses from ordinary activities		1,035,789	841,405
		10,856,192	9,952,670
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	6	150,988	56,667

*The Income Statement should be read in conjunction with the notes to the financial statements set out on pages 32-43.*

# Balance Sheet

AS AT 31 DECEMBER 2005

	Note	31/12/05 \$	31/12/04 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		723,463	1,054,002
Trade & Other Receivables	7	112,478	254,933
Other	8	611,980	517,008
<b>Total Current Assets</b>		<b>1,447,921</b>	<b>1,825,943</b>
<b>Non-current Assets</b>			
Property, plant and equipment	9	166,960	190,316
<b>Total Non-current Assets</b>		<b>166,960</b>	<b>190,316</b>
<b>TOTAL ASSETS</b>		<b>1,614,881</b>	<b>2,016,259</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	10	756,857	563,082
Deferred revenue	11	899,472	1,756,968
Provisions	12	1,646,211	1,494,201
<b>Total Current Liabilities</b>		<b>3,302,540</b>	<b>3,814,251</b>
<b>Non-current Liabilities</b>			
Provisions	12	158,708	199,363
<b>Total Non-current Liabilities</b>		<b>158,708</b>	<b>199,363</b>
<b>TOTAL LIABILITIES</b>		<b>3,461,248</b>	<b>4,013,614</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>(1,846,367)</b>	<b>(1,997,355)</b>
<b>EQUITY</b>			
Contributed equity	13	2	2
Accumulated losses	23	(1,846,369)	(1,997,357)
<b>TOTAL EQUITY/(DEFICIENCY)</b>		<b>(1,846,367)</b>	<b>(1,997,355)</b>

The Balance Sheet should be read in conjunction with the notes to the financial statements set out on pages 32-43.

# Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2005

	<b>Contributed Equity</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$
As at 1 January 2004	2	(2,054,024)	(2,054,022)
Profit for the year		56,667	56,667
As at 31 December 2004	2	(1,997,357)	(1,997,355)
Profit for the year		150,988	150,988
As at 31 December 2005	2	(1,846,369)	(1,846,367)

*The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements set out on pages 32-43.*



# Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	31/12/05 \$	31/12/04 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		2,780,499	1,963,770
Cash payments in the course of operations		(11,422,573)	(10,390,452)
Grants received from government funding bodies		8,286,608	8,475,969
Interest received		56,314	50,304
<b>Net cash provided by / (used in) operating activities</b>	14(b)	(299,152)	99,591
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(31,387)	(57,335)
Proceeds from sale of property, plant & equipment		-	-
<b>Net cash used in investing activities</b>		(31,387)	(57,335)
<b>Net increase/(decrease) in cash held</b>		(330,539)	42,256
Cash & Cash Equivalents at the beginning of the financial year		1,054,002	1,011,746
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	14(a)	723,463	1,054,002

*The Cash Flow Statement should be read in conjunction with the notes to the financial statements set out on pages 32-43.*

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2005

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values nor current valuations of non-current assets.

These accounting policies have been consistently applied by the company and, except where there has been a change in accounting policy, are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

### b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first financial report prepared based on AIFRS and comparatives for the year ended 31 December 2004 have been presented accordingly. Reconciliations of AIFRS equity and profit for 31 December 2004 to the balances reported in the 31 December 2004 financial report are detailed in Note 24 below.

### 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 21).

### 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 August 2004. Funding is received based on payment schedules contained in that agreement between the funding bodies and The Queensland Orchestra Pty Ltd and is recognised in the calendar year for which it is intended under the terms of the funding 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.

### Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### Sponsorship and Donations Revenue

#### Sponsorship

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

#### Donations

All donations are brought to account as received.

### d) Taxation & Goods and Services Tax

The company 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 uncollectible amounts. The collectibility 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 Queensland Orchestra Pty Ltd and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the income statement 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:

<b>Asset class</b>	<b>Useful Life</b>
Office equipment	Between 5 and 10 years
Musical instruments	Between 5 and 10 years
Computer equipment	Between 2 and 5 years
Furniture, Fixtures & Fittings	10 years

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

**Leased plant and equipment**

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

**i) Impairment**

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

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement.

The Queensland Orchestra does not have separate cash generating units.

#### **j) Trade payables**

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

The carrying value of accounts payable approximates net fair value.

#### **k) Employee benefits**

##### **Wages, Salaries and Annual Leave**

The provisions for employee benefits to wages, salaries and annual leave represent the amount which the company 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 company's experience with staff departures. Related on-costs have also been included in the liability.

##### **Superannuation Plans**

The company contributes to several defined benefit and defined contribution superannuation plans. Employer contributions in relation to the year ended 31 December 2005 have been expensed against income.

No liability is shown for superannuation in the Balance Sheet as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

#### **l) Incorporation**

The Queensland Orchestra Pty Ltd was incorporated on 30 October 2000 and in accordance with an understanding with Symphony Australia undertook the operations of the Queensland Symphony Orchestra on that date.

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

#### **m) Going concern**

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Board monitors this through budget and cash flow management and takes corrective action to increase revenue or minimise expenditure, where required. At 31 December 2005, the company recorded a profit from ordinary activities of \$150,988 and total liabilities of \$3,461,248 exceeded its total assets of \$1,614,881 by \$1,846,367. Current liabilities also exceeded current assets by \$1,854,618. The company is forecasting a small surplus for the year ended 31 December 2006.

The company's funding has been agreed at a State and Federal level and this has been included in the forecast for the year to 31 December 2006. The receipt of the funding is dependent on meeting certain criteria specified in the Tripartite Agreement (with State and Federal Governments). The board is aware of all requirements and has passed a Board resolution to ensure they continue meeting the criteria.

To manage the cash flow and liquidity of the company over the next twelve months from the date of this report and provide an adequate working capital base, the Board and management of The Queensland Orchestra Pty Ltd will need to:

- meet the income forecasts for ticket sales, sponsorship and hire of the orchestra to third parties;
- ensure that expenses are well controlled and do not exceed those budgeted;
- have strategies in place to cover any cashflow shortfalls within this time period.

The Board of The Queensland Orchestra Pty Ltd believes that the company is a going concern and will be able to pay debts as and when they fall due. In the event that The Queensland Orchestra Pty Ltd is not able to:

- meet the criteria specified in the Tripartite Funding Agreement;
- obtain the income as budgeted from ticket sales, corporate sponsorship and orchestra hire; or
- control costs as budgeted;

there may be a significant uncertainty surrounding the ability of The Queensland Orchestra Pty Ltd to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

#### **Impending Change of Ownership**

A significant portion of the Company's annual revenue consists of funding from federal and state governments, through the Australia Council for the Arts and Arts Queensland respectively. This funding is granted under the terms of a three year Tripartite Agreement. The current agreement provides funding for the three year period ending 31 December 2006. The agreement is due for renewal for the period 2007 – 2009 and as at the date of this report the new agreement has not been put in place.

In addition, as a consequence of the Commonwealth government review into national orchestras conducted in 2004, it is anticipated that the Company will be divested from its current shareholder, the Australian Broadcasting Corporation within the next twelve months. The Company will incur additional costs as a result of the divestment and will seek additional funding in order that the Company and its employees are not disadvantaged by the transition.

The accounts have been prepared on a going concern basis as the directors believe there will not be any decrease in the level of funding that the Company receives from the federal and state governments.

## 2. FUNDING REVENUE

	<b>31/12/05</b> <b>\$</b>	<b>31/12/04</b> <b>\$</b>
Australia Council for the Arts – Tripartite Agreement	5,334,283	5,267,024
Arts Queensland – Tripartite Agreement	2,131,040	2,104,244
Arts Queensland – Additional Funding	750,000	-
Arts Queensland – Reserve Incentive Scheme	-	417,000
Grants Dedicated	37,500	37,500
Brisbane City Council	60,000	30,000
	<b>8,312,823</b>	<b>7,855,768</b>

A significant portion of the company'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 company has an economic dependency on these entities.

Funding revenue includes funds that are required under the tripartite agreement to be paid directly to Symphony Australia to fund the cost of being part of the Symphonies Network. Part of this funding is paid to Symphony Australia as reimbursement for costs incurred in providing the services associated with the Symphonies Network. Refer Note 17.

## 3. TICKET SALES

Subscription sales	760,634	682,750
Single ticket sales	825,747	653,981
	<b>1,586,381</b>	<b>1,336,731</b>

## 4. SPONSORSHIP AND DONATION REVENUE

Sponsorship	289,381	172,768
Guild Membership	3,195	4,804
Donations	37,002	42,725
	<b>329,578</b>	<b>220,297</b>

## 5. OTHER REVENUE

<i>From operating activities</i>		
Interest income	56,314	50,304
<i>From outside operating activities</i>		
Other	216,940	130,503
	<b>273,254</b>	<b>180,807</b>

## 6. OPERATING PROFIT FROM ORDINARY ACTIVITIES

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

	31/12/05 \$	31/12/04 \$
<i>Depreciation:</i>		
Musical instruments	20,598	19,451
Office equipment	2,786	2,016
Furniture, fixtures and fittings	11,369	9,268
Computer equipment	17,318	22,893
Total Depreciation	52,071	53,628
Lease rental expense – operating leases	18,713	13,766
Employee Expenses		
Salaries & Wages	6,061,457	5,979,781
Superannuation	803,033	787,588
Workers Compensation	348,557	322,399
Redundancies	283,184	-
Other Employee Expenses	-	-
Total Salaries & Wages	7,496,231	7,089,768
There were no bad debts in the year.		
<b>7. TRADE &amp; OTHER RECEIVABLES</b>		
<i>Current</i>		
Trade debtors	45,005	82,219
Other debtors	67,472	168,220
Related entity	-	4,494
	112,478	254,933
<b>8. OTHER CURRENT ASSETS</b>		
Prepayments	611,980	517,008
	611,980	517,008

## 9. PROPERTY, PLANT AND EQUIPMENT

	Musical Instruments	Office equipment	Computer equipment	Furniture, fixtures and fittings	Total
<i>Cost</i>					
Opening balance	205,679	34,544	121,944	127,213	489,380
Additions	23,674	1,272	6,111	330	31,387
Disposals	(182)	-	(44,120)	(2,490)	(46,792)
Closing balance	229,171	35,816	83,935	125,053	473,975
<i>Accumulated depreciation</i>					
Opening balance	(138,517)	(23,084)	(98,045)	(39,418)	(299,064)
Depreciation expense	(20,598)	(2,786)	(17,318)	(11,369)	(52,071)
Disposals			44,120		44,120
Closing balance	(159,115)	(25,870)	(71,243)	(50,787)	(307,015)
<b>Net book value, 31 December 2005</b>	70,056	9,946	12,692	74,266	166,960
Net book value, 31 December 2004	67,162	11,460	23,899	87,795	190,316

## 10. TRADE & OTHER PAYABLES

	31/12/05 \$	31/12/04 \$
Trade creditors	137,502	29,639
Other creditors and accruals	605,220	464,544
Related entity	5,358	68,899
Parent entity	8,777	-
	756,857	563,082

## 11. DEFERRED REVENUE

Federal funding received in advance	396,932	1,678,065
Brisbane City Council grant received in advance	30,000	30,000
Sponsorship		-
Subscriptions received in advance	472,540	48,903
	899,472	1,756,968



## 12. PROVISIONS

- a) Current employee benefits – Note 15
- b) Non-current employee benefits – Note 15

	31/12/05	31/12/04
	\$	\$
a) Current employee benefits – Note 15	1,646,211	1,494,201
b) Non-current employee benefits – Note 15	158,708	199,363

## 13. CONTRIBUTED EQUITY

Ordinary shares issued and fully paid  
There are two ordinary shares on issue (2004: 2).

	2	2
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Holders of ordinary shares are entitled to one vote per share at shareholders' meetings. In the event of winding up the company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

## 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:

Cash	198,042	554,771
Employee benefits account	525,421	499,231
	723,463	1,054,002

### (b) Reconciliation of loss from ordinary activities to net cash provided by operating activities

Profit/(Loss) from ordinary activities	150,988	56,667
Less items classified as investing/financing activities:		
Loss on disposal of non-current assets	2,671	-
Add/(less) non-cash items:		
Charges to provisions	111,355	224,344
Depreciation	52,071	53,628
Net cash (used in)/provided by operating activities before change in assets and liabilities	317,085	334,639
Change in assets and liabilities:		
(Increase)/decrease in receivables	142,456	(139,495)
(Increase)/decrease in other assets	(94,972)	11,120
Increase/(decrease) in accounts payable	193,776	58,703
Increase/(decrease) in deferred revenue	(857,497)	(165,376)
Net cash provided by operating activities	(299,152)	99,591

## 15. EMPLOYEE BENEFITS

	31/12/05	31/12/04
	\$	\$
Current	1,646,211	1,494,201
Non-current	158,708	199,363
	1,804,919	1,693,564

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:

Assumed rate of increase in wage and salary rates	3%	3%
Discount rate	5.10%	5.10%
Settlement term	10 years	10 years

At year end, the company employed 96 full-time equivalent employees (2004: 102 employees).

Employees contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$803,033 (2004: \$787,588) for the company in relation to these schemes have been expensed in these financial statements.

## 16. DIRECTORS' REMUNERATION

Two directors are employees of the company, however they do not receive any income in connection with the management of the affairs of the company, but are remunerated as players only. With this exception, total remuneration paid or payable, or otherwise made available, to all directors of the company from the company or any related party, amounted to \$Nil for the year (2004:\$Nil).

## 17. RELATED PARTIES

### a) Directors

The names of each person holding the position of director of The Queensland Orchestra Pty Ltd during the financial period are:

C J Barker, A Arthurs (Resigned 2 August 2005), J M Bowe (Resigned 24 November 2005), C W Cunningham (Resigned 28 May 2005), J E Hodgson, D Montgomery (Appointed 24 November 2005), I M D O'Brien (Appointed 24 November 2005), M A O'Loughlin (Resigned 11 November 2005), M P Smith (Appointed 21 December 2005), J M Walker (Appointed 21 December 2005), P Swannell and G K Wanchap.

Details of directors' remuneration are set out in Note 16.

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interest subsisting at year end.

## b) Wholly-owned group

The company is a wholly owned subsidiary of the controlling entity, the Australian Broadcasting Corporation. Symphony Australia Holdings Pty Ltd is also a wholly-owned subsidiary of the Australian Broadcasting Corporation.

Amounts payable to entities in the wholly-owned group:

Australian Broadcasting Corporation  
Symphony Australia Holdings Pty Ltd

	31/12/05 \$	31/12/04 \$
Australian Broadcasting Corporation	8,777	-
Symphony Australia Holdings Pty Ltd	5,358	68,899
	14,135	68,899

These amounts relate to the provision of services on a cost basis. A charge of \$553,336 (2004: \$589,847) was incurred in the year in relation to administrative services (the provision of music library, program research, artist tour coordination and other services) provided by Symphony Australia Holdings Pty Ltd.

Amounts receivable from entities in the wholly-owned group:

Symphony Australia Holdings Pty Ltd

Symphony Australia Holdings Pty Ltd	-	4,494
	-	4,494

## c) Other related parties

Sponsorship from director-related entities is on terms and conditions no more favourable than those offered to other sponsors.

## 18. AUDITORS' REMUNERATION

Auditing of the financial report  
Other services

Auditing of the financial report	23,500	12,750
Other services	-	-
	23,500	12,750

No other benefits were received by the auditor.

## 19. COMMITMENTS & CONTINGENCIES

Operating leases (*non-cancellable*)

Not later than one year  
Later than one year and not later than five years

Not later than one year	14,892	14,892
Later than one year and not later than five years	42,194	57,086
	57,086	71,978

The Company has operating leases for photocopier rental.

*Artists fees contracted for but not provided for and payable*

Not later than one year  
Later than one year and not later than five years

Not later than one year	138,575	14,860
Later than one year and not later than five years	-	-
	138,575	14,860

## 20. SEGMENT INFORMATION

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

## 21. TICKET SALES

As the company's ticketing agent, Queensland Performing Arts Trust (QPAT) receives monies for ticket sales in advance of the performances. As at 31 December 2005, QPAT held \$95,346 relating to 2006 performances.

## 22. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE

### a) Interest rate risk exposures

The company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities are set out below:

	Weighted average interest rate	Floating interest rate	Fixed Interest < 1 Year	Fixed Interest 1 – 5 Years	Non-interest bearing	Total
<b>31 December 2005</b>						
<i>Financial assets</i>						
Cash	4%	723,463	-	-	-	723,463
Receivables – Note 7		-	-	-	112,478	112,478
		<u>723,463</u>	<u>-</u>	<u>-</u>	<u>112,478</u>	<u>835,941</u>
<i>Financial liabilities</i>						
Payables – Note 10		-	-	-	756,857	756,857
		<u>-</u>	<u>-</u>	<u>-</u>	<u>756,857</u>	<u>756,857</u>
<b>31 December 2004</b>						
<i>Financial assets</i>						
Cash	4%	1,054,002	-	-	-	1,054,002
Receivables – Note 7		-	-	-	256,433	256,433
		<u>1,054,002</u>	<u>-</u>	<u>-</u>	<u>256,433</u>	<u>1,310,435</u>
<i>Financial liabilities</i>						
Payables – Note 10		-	-	-	555,020	555,020
		<u>-</u>	<u>-</u>	<u>-</u>	<u>555,020</u>	<u>555,020</u>

### b) Net fair value

The net fair value of financial assets and liabilities at the balance date are those disclosed in the statement of financial position and related notes. This is because either the carrying amounts approximate net fair value or because of their short term to maturity.

### c) Credit risk exposure

The company's maximum exposure to credit risk at balance date in relation to each class of recognised financial liabilities is the carrying amount of those liabilities as indicated in the statement of financial position and related notes.

## 23. ACCUMULATED LOSSES

	31/12/05	31/12/04
	\$	\$
Accumulated losses at the beginning of the year	(1,997,357)	(2,054,024)
Net profit/(loss) from ordinary activities for the year	150,988	56,667
Accumulated losses at the end of the year	(1,846,369)	(1,997,357)

## 24. IMPACT OF ADOPTION OF AIFRS

There was no recorded financial impact from the adoption of Australian equivalents to IFRS.

## 25. SUBSEQUENT EVENTS / GOING CONCERN

The directors of the company believe that it is appropriate to prepare the accounts on a going concern basis. As outlined in Note 1, however, the company's ability to continue as a going concern continues to be dependant upon the ongoing financial support provided by grants from the federal and state governments and the ability of the company to:

- meet the income forecasts for ticket sales, sponsorship and hire of the orchestra to third parties;
- ensure that expenses are well controlled and do not exceed those budgeted;
- have strategies in place to cover any cashflow shortfalls within this time period.

A Commonwealth Government review into national orchestras was conducted in 2004 with published recommendations being made in 2005. It is anticipated that the company will be divested from the Australian Broadcasting Corporation within the next 12 months. The company will receive additional funding as a result of divestment and implementation of the the other government approved recommendations.

## 26. ADDITIONAL DISCLOSURES

The Queensland Orchestra Pty Ltd is a proprietary company limited by shares, incorporated in Australia and having its principal place of business at:

53 Ferry Road  
West End Qld 4101

The company's registered office address is:

53 Ferry Road  
West End Qld 4101

# Directors' Declaration

In the opinion of the directors of The Queensland Orchestra Pty Ltd:

(a) the financial statements and notes, set out on pages 8 to 24, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the company as at 31 December 2005 and of its performance, as represented by the results of its operations for the financial year ended on that date; and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable as outlined in Note 1.

Signed in accordance with a resolution of the directors:



**Carolyn J Barker AM**  
*Director*

Brisbane  
14 June 2006

# Auditors' Independence Declaration



To the Directors of The Queensland Orchestra Pty Limited

In relation to our audit of the financial report of The Queensland Orchestra Pty Limited for the year ended 31 December 2005, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001; and
- (ii) no contravention of any applicable code of professional conduct.

**Australian National Audit Office**

A handwritten signature in black ink, appearing to read 'P Hinchey', written in a cursive style.

**P Hinchey**

*Senior Director*

*Delegate of the Auditor-General*

Sydney

15 June 2006

# Independent Audit Report



To the members of The Queensland Orchestra Pty Limited

## SCOPE

*The financial report and Directors' responsibility*

The financial report comprises:

- Directors' Declaration;
- Income Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement; and
- Notes to and forming part of the Financial Report of The Queensland Orchestra Pty Limited for the year ended 31 December 2005.

The Directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with the Corporations Act 2001 and with Australian Accounting Standards and other mandatory financial reporting requirements. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

## AUDIT APPROACH

I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with the Corporations Act 2001 and with the Australian Accounting Standards and other mandatory financial reporting requirements, a view which is consistent with my understanding of the company's financial position and of its performance as represented by its operations, changes in equity and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by management.

## INDEPENDENCE

In conducting the audit, I have complied with the independence requirements of the Corporations Act 2001.

## AUDIT OPINION

In my opinion, the financial report of The Queensland Orchestra Pty Limited is in accordance with:

- (a) *the Corporations Act 2001*, including:



- (i) giving a true and fair view of The Queensland Orchestra Pty Limited's financial position as at 31 December 2005 and of its performance for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

**Inherent Uncertainty Regarding Continuation as a Going Concern**

Without qualification to the opinion expressed above, attention is drawn to the following matter:

Note 1(m) to the financial statements states that a significant portion of the company's annual revenue consists of funding from federal and state governments. However, a new funding agreement for the period 2007-2009 has not yet been signed. Further, the company will incur additional costs from its anticipated divestiture from its current shareholder and will seek additional funding for the transition; however, an agreement for the divestiture has not as yet been formalised.

As a result of the matters described in Note 1(m), there is significant uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. No adjustments have been made relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the company not be able to continue as a going concern.

**Australian National Audit Office**



**P Hinchey**

*Senior Director*

*Delegate of the Auditor-General*

Sydney

15 June 2006

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West End Central Apartments

### Life Guild Members

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Mr & Mrs Richard & Louise Baker  
Mr & Mrs Ron & Diane Baldwin  
Mr & Mrs John & Jane Brims  
Dr Betty Byrne Henderson AM  
Ms Judy Carrey  
Mr Michael Christie  
Ms Ann Clarkson  
Mr & Mrs David & Andrea Graham

Ms Leonie Henry  
Mr & Mrs Donald & Kate Magarey  
Mr & Mrs Steve & Jan Martin  
Dr & Mrs John & Juleen Mayze  
Dr Desmond B Misso Esq  
Dr Cathryn Mittelheuser  
Mrs Doreen Ord  
Professor & Mrs Hans & Frederika Westerman

### Guild members and Encore Program donors



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