

# Melbourne Symphony Orchestra

ANNUAL REPORT 2015





## Vision

**MSO will be a truly great orchestra that evolves to inspire and engage audiences, and is an essential part of Melbourne's rich cultural fabric.**

## Mission

**To work together, with our partners and communities, to enrich people's lives through meaningful musical experiences.**



Cover: An Evening with Renée Fleming  
Above: Flight Facilities and the MSO as part of the Melbourne Festival



## Values

### **Excellence**

We will deliver the highest standards of performance at all times, artistically and organisationally.

### **Creativity**

We will be inventive and imaginative, supporting creativity throughout the company and always seeking new ways to inspire our artists, audiences, supporters and staff.

### **Diversity**

We will reflect the diversity of our audiences, our stakeholders and our artists to remain relevant, vibrant and inclusive and engage all aspects of the Victorian community we represent.

### **Leadership**

We will demonstrate the highest levels of professionalism and be passionate advocates for our company, our artists and the art form.

### **Responsibility**

We will be exemplars of good governance, sustainability and accountability to our stakeholders.

### **Integrity**

We will be open and honest, reliable, respectful and ethical at all times.



‘Thank you for enriching my life since childhood when I attended schools concerts – followed by youth concerts. You have educated me, entertained me, calmed me during times of sadness and stress and brought me great joy and happiness for over 70 years. Please don't go away! I need you. I feel you are my friends.’

Elizabeth Fee, Subscriber

‘At 50, the MSO Chorus sits at the apex of the rich musical life of Melbourne. For me, there is no greater joy than the unforgettable experience of standing behind this great Orchestra in full cry, immersed in the spine-tingling drama of such inspiring music in the hands of the world's greatest conductors and soloists. Vivat Sir Andrew! Vivat MSO!’

Andrew Ham, MSO Chorus

‘As a donor and a subscriber I feel a strong sense of connection with the MSO. My engagement in donor related events provides me with unique insights into the Orchestra in all its complexity and contributes to my enjoyment at every concert.’

Dr Anne Kennedy, Donor

‘Full of great performances, 2015 was a year that again revealed the breathtaking range of our activities. From The Wiggles filming in February to Bryn Terfel as Faust and on Broadway, Sir Andrew directing Mahler 3, Kurt Elling, Dale Barltrop's *Four Seasons*, Renée Fleming, Babe, Sir Andrew's *Heldenleben* and Jakub Hrůša's *Scheherazade* – then the musical magic of Bramwell Tovey sending us into the Christmas season. All in all, an MSO year to savour.’

Brett Kelly, Principal Trombone and staff-elected MSO board representative

‘The precision and synchronicity of the Melbourne Symphony Orchestra is clearly one of the main reasons for its well-deserved international acclaim.’

Barbara Booth, ArtsHub

‘The Pizzicato Effect is a once-in-a-lifetime opportunity which allows me to step up and be a leader. It's fun and I look forward to it every week.’

Hope Smithers, Pizzicato Program Participant



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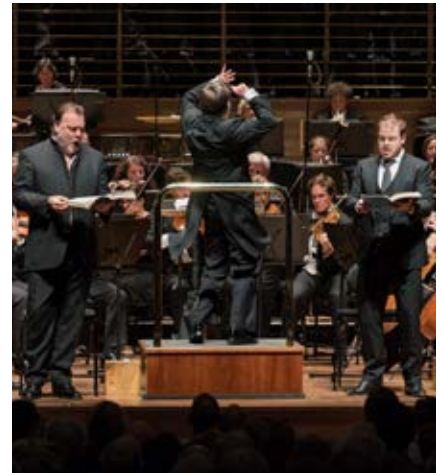
## The Year in Pictures



**Extension of Sir Andrew Davis' tenure  
as Chief Conductor of the MSO**



**Chinese New Year Concert**  
28 February



**Berlioz's The Damnation of Faust**  
20 & 21 March



**Tripod: This Gaming Life**  
17 & 18 April



**Beethoven: The 1808 Vienna Concert**  
2 May



**Kurt Elling**  
Presented by the MSO and  
Melbourne International Jazz Festival  
30 & 31 May



**Education Week**  
1-6 June



**Meet the Orchestra:  
Pictures at an Exhibition**  
2 & 3 June



**The Wiggles**  
5 June





**Britten's War Requiem**  
11 & 12 June



**Babe: The Twentieth Anniversary Concert**  
11 & 12 July



**Music and the Deaf**  
23 July



**An Evening with Renée Fleming**  
3 & 5 September



**Beethoven at the Ballroom**  
30 September



**Scheherazade**  
1, 2 & 5 October



**Mozart's Requiem:  
MSO Chorus 50th Anniversary Concert**  
7 October



**Secret Symphony at the State Library**  
18 December



**Appointment of new MSO Associate  
Chorus Master, Anthony Pasquill**

## Chairman's Report



It is an honour to deliver my first Annual Review as Chairman of the Melbourne Symphony Orchestra. 2015 was a year of great achievement across many fronts. Artistically, the MSO is in the best place it's ever been, continuing to attract tremendous talent and international recognition for superb music making. This reflects the fantastic collaboration between our musicians on stage and our Chief Conductor, Sir Andrew Davis, supported by the efforts of all our staff working tirelessly behind the scenes. The extension of Sir Andrew's tenure as our Chief Conductor through to 2019 has secured continuity in our artistic leadership - the impact he has on the quality of our music, mentoring of our musicians and genuine relationship with our audiences cannot be underestimated.

In 2015, ticket sales and revenues reached record levels, reflecting a paid capacity of 87% across core performances. We had record attendances at Education Week and across youth programs - up 59% and 64% respectively. Philanthropy also performed well, although not at the levels of recent years which had benefitted from large individual donations. However, the strong year of special projects in 2014, which included three of our top ten grossing projects ever (*Lord of the Rings*, *Doctor Who* and Ben Folds), was not repeated in 2015, and as a result the MSO returned an overall deficit of \$577,653 for the year.

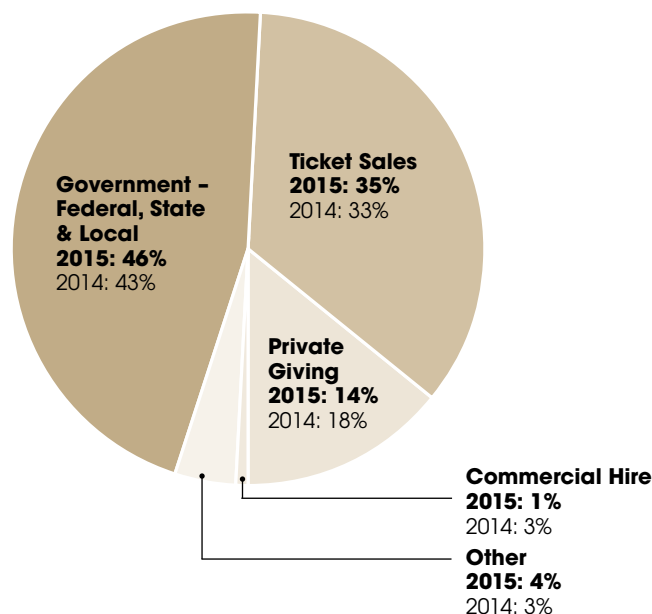
**In 2015, ticket sales and revenues reached record levels, reflecting a paid capacity of 87% across core performances.**

This illustrates the challenges of orchestras around the world, with our ticket revenue from performances only contributing 35% towards operating costs. Our support from Government has remained relatively static and covers a further 46% of costs. The balance of our costs has to be covered by special projects outside of our core repertoire, together with an increasing reliance on philanthropy and corporate sponsorship, which together provide 19% of our cost base.

In this environment, it is critical that we continue to reach out to audiences from a broad demographic, reflecting our position as core to the cultural fabric of Melbourne and Victoria. Ways in which we have done this include trialling new technologies to deliver our sought-after education programs into schools across Victoria, and indeed Australia, creating epic five-hour marathon performances of historic significance playing to a packed house, performing free for the people of Melbourne, and building strong collaborative partnerships with the festival events and cultural icons of this great city. This illustrates the versatility of what we do, and what we must continue to do to remain relevant and valuable to the people who support us.

To bring the magic of orchestral music to a live audience of over 317,000 people at 21 different locations across Victoria in 2015 is a significant achievement. Audiences are buying more tickets to see us, in core venues as well as in intimate 'secret' settings. From the iconic Sidney Myer Music Bowl, where close to 30,000 people enjoyed our free Summer Series, and our home in Hamer Hall, to the Geelong Performing Arts Centre and where funding permits, to regional centres further afield, the Orchestra connects widely with its community live in concert, via broadcasts, digital streams, workshops and world-class recordings.

### MSO INCOME BY SOURCE





Corporate and philanthropic partnerships play a pivotal role in helping us achieve our mission to enrich people's lives through our ability to create meaningful musical experiences of the highest artistic quality. In 2015, the MSO welcomed BMW to our family of sponsors, and our relationships with loyal donors are among the strongest in the country.

It is important to acknowledge the great support we receive from the Federal and State Governments, The City of Melbourne, our valued corporate partners, including long standing principal partner Emirates, generous donors and engaged audiences. Building on this, our focus, in both the short and long term, is to take the necessary steps to secure a sustainable future for this great Orchestra. This will require some difficult decisions, but the journey forward has begun in earnest and I am confident that working with our network of friends and supporters, the Orchestra will continue to thrive.

Helen Silver AO and Margaret Jackson AC, together with MSO Principle Trombonist and staff-elected representative, Brett Kelly, were appointed directors of the MSO Board early in the year. I thank all my Board colleagues for their work in developing new opportunities and connections for our Orchestra.

Together with the partnerships we welcomed this year, 2015 was also a year of farewells. Harold Mitchell AC retired as Board Chairman in October and his legacy, passion and contribution to and on behalf of the MSO will remain with us forever. I am delighted that Harold has agreed to continue playing a lead role in building our philanthropic support. André Gremillet, bid us adieu after three years as Managing Director to join the Cleveland Orchestra as its new Executive Director. On behalf of the Board I'd like to wish him well in his new endeavour and thank him for his significant contribution.

I would also like to thank Richard Evans for taking on the role as Interim Managing Director. Richard took on the role with gusto, contributing significant insights from his broad experience of arts organisations, which have assisted in laying the foundations for our long term sustainability. Thanks must similarly go to Ann Peacock and MSO staff-elected representative, Alastair McKean, both of whom retired from the Board in 2015.

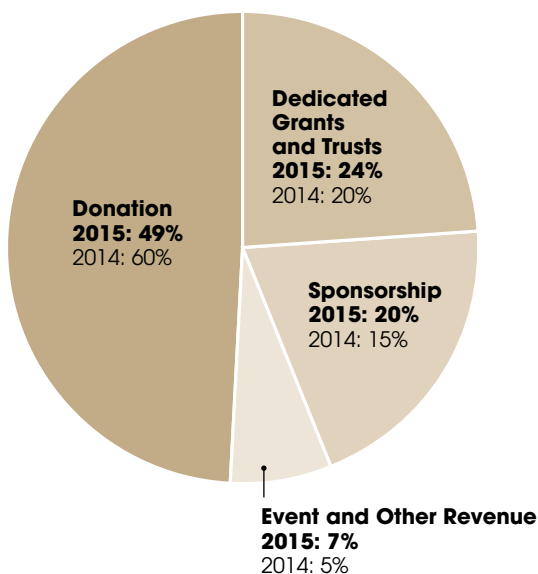
The Board is delighted that Sophie Galaise has accepted the appointment as our new Managing Director, taking up the role in April 2016. Sophie brings a wealth of skill and expertise to the role, both as a professional musician and musicologist, and as a skilled business administrator.

Delivering great performances requires a great many people to come together. To all of you who continue to make the most valuable contributions, I say thank you.

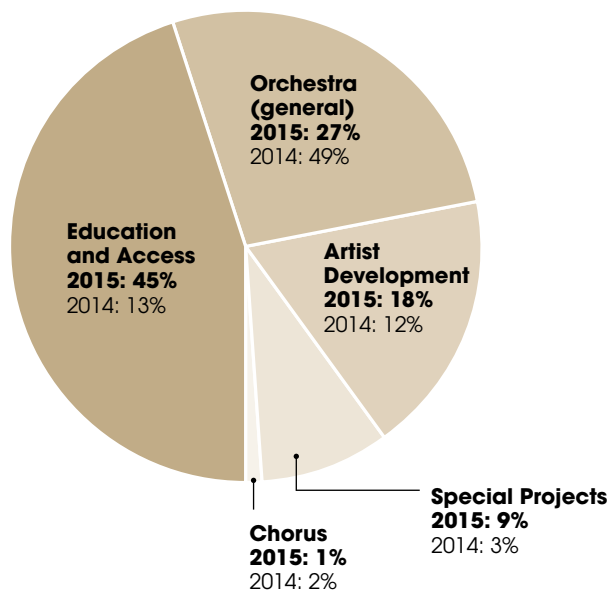


**Michael Ullmer**  
Chairman

## SOURCES OF PRIVATE GIVING



## WHERE MSO SUPPORTERS DIRECTED THEIR GIFTS



\*Note: In 2014, 21% was directed to the European Tour





# Melbourne Symphony Orchestra 2015

## **Sir Andrew Davis**

Harold Mitchell AC Chief Conductor Chair

## **Benjamin Northey**

Patricia Riordan Associate Conductor Chair

## **Diego Matheuz**

Principal Guest Conductor

### **FIRST VIOLINS**

#### **Dale Barltrop**

Concertmaster

#### **Eoin Andersen**

Concertmaster

#### **Sophie Rowell**

Associate Concertmaster

#### **Peter Edwards**

Assistant Principal

#### **Kirsty Bremner**

MSO Friends Chair

#### **Sarah Curro**

#### **Peter Fellin**

#### **Deborah Goodall**

#### **Lorraine Hook**

#### **Kirstin Kenny**

#### **Ji Won Kim**

#### **Eleanor Mancini**

#### **Anne Martonyi**

#### **Mark Mogilevski**

#### **Michelle Ruffolo**

#### **Kathryn Taylor**

### **SECOND VIOLINS**

#### **Matthew Tomkins**

The Gross Foundation Principal Second Violin Chair

#### **Robert Macindoe**

Associate Principal

#### **Monica Curro**

Assistant Principal

#### **Mary Allison**

#### **Isin Cakmakcioglu**

#### **Freya Franzen**

#### **Cong Gu**

#### **Andrew Hall**

#### **Francesca Hiew**

#### **Rachel Homburg**

#### **Christine Johnson**

#### **Isy Wasserman**

#### **Philippa West**

#### **Patrick Wong**

#### **Roger Young**

### **VIOLAS**

#### **Christopher Moore**

Principal

#### **Fiona Sargeant**

Associate Principal

#### **Lauren Brigden**

#### **Katharine Brockman**

#### **Christopher Cartlidge**

#### **Simon Collins**

#### **Gabrielle Halloran**

#### **Trevor Jones**

#### **Fiona Sargeant**

#### **Cindy Watkin**

#### **Caleb Wright**

### **CELLOS**

#### **David Berlin**

MS Newman Family Principal Cello Chair

#### **Rachael Tobin**

Associate Principal

#### **Nicholas Bochner**

Assistant Principal

#### **Miranda Brockman**

#### **Rohan de Korte**

#### **Keith Johnson**

#### **Sarah Morse**

#### **Angela Sargeant**

#### **Michelle Wood**

### **DOUBLE BASSES**

#### **Steve Reeves**

Principal

#### **Andrew Moon**

Associate Principal

#### **Sylvia Hosking**

Assistant Principal

#### **Damien Eckersley**

#### **Benjamin Hanlon**

#### **Suzanne Lee**

#### **Stephen Newton**

### **FLUTES**

#### **Prudence Davis**

Principal Flute Chair – Anonymous

#### **Wendy Clarke**

Associate Principal

#### **Sarah Beggs**

### **PICCOLO**

#### **Andrew Macleod**

Principal

### **OBOES**

#### **Jeffrey Crellin**

Principal

#### **Thomas Hutchinson**

Associate Principal

#### **Ann Blackburn**

### **COR ANGLAIS**

#### **Michael Pisani**

Principal

### **CLARINETS**

#### **David Thomas**

Principal

#### **Philip Arkinstall**

Associate Principal

#### **Craig Hill**

### **BASS CLARINET**

#### **Jon Craven**

Principal

### **BASSOONS**

#### **Jack Schiller**

Principal

#### **Elise Millman**

Associate Principal

#### **Natasha Thomas**

### **CONTRABASSOON**

#### **Brock Imlson**

Principal

### **HORNS**

#### **Zora Slokar**

Principal

#### **Geoff Lierse**

Associate Principal

#### **Saul Lewis**

Principal Third

#### **Jenna Breen**

#### **Abbey Edlin**

#### **Trinette McClimont**

### **TRUMPETS**

#### **Geoffrey Payne**

Principal

#### **Shane Hooton**

Associate Principal

#### **William Evans**

#### **Julie Payne**

### **TROMBONES**

#### **Brett Kelly**

Principal

### **BASS TROMBONE**

#### **Mike Szabo**

Principal

### **TUBA**

#### **Timothy Buzbee**

Principal

### **TIMPANI**

#### **Christine Turpin**

Principal

### **PERCUSSION**

#### **Robert Clarke**

Principal

#### **John Arcaro**

#### **Robert Cossom**

## Audience Reach

# 331,497

Total audience across  
all programs in 2015

**CORE CONCERTS = 99**

**Attendance = 120,886**

**Paid Capacity = 87%**

**REGIONAL CONCERTS = 16**

**Attendance = 12,241**

**ORCHESTRAL HIRES = 5**

**Attendance = 20,087**

**FREE CONCERTS = 16\***

**Attendance = 121,848<sup>†</sup>**

\*Includes 3 MSO Chorus Concerts.

<sup>†</sup>Includes the 90,000 people attending official ANZAC Day Dawn & Commemorative Services at Melbourne's Shrine of Remembrance featuring moving performances by the MSO Chorus.

**SPECIAL EVENTS = 22**

**Attendance = 42,439**

**WORKSHOPS = 91**

**Attendance = 13,996**

## 2015 Victorian Footprint:<sup>#</sup>

Bairnsdale  
Bendigo  
Berwick  
Broadmeadows  
Burwood  
Clayton  
Collingwood  
Dallas

Eltham  
Endeavour Hills  
Fitzroy  
Flinders  
Frankston  
Geelong  
Glen Waverley  
Hamilton

Hawthorn  
Lalor  
Moonee Ponds  
Mount Waverley  
Parkville  
Pascoe Vale  
Reservoir  
Seaford

Shepparton  
South Wharf  
Southbank  
Springvale  
Sunshine North  
Warnambool  
Wendouree  
Werribee

<sup>#</sup>includes performances, school programs, and workshops



## Performances

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**In 2015, the MSO performed 94 productions to reach a live audience of 317,501 people at 158 performances in 21 different venues across Victoria.**

**That's an average of one performance every two days.**

**Paid attendance across all live concert performances was 180,286 people.**

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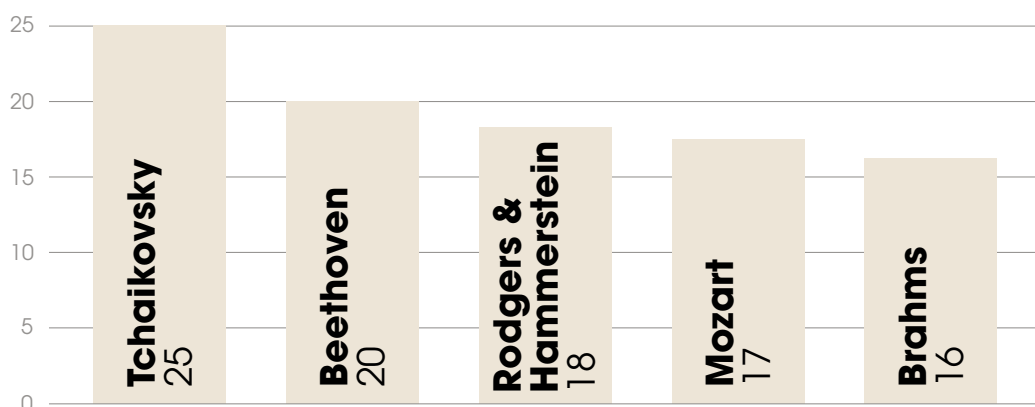
**During 2015 672 works were performed by 138 composers.**

377 works by 105 composers in the core season.

**32% of works performed were composed by musicians alive today representing 11 different nationalities. Of those, Australian and American composers were the most prolific in the 2015 season.**

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### **Top 5 composers across core season:**



Number of works performed in 2015

## Beyond The Concert Hall



**\$24.9m**

**MSO in the media**  
(based on ASR\* value)  
↑ 87% on 2014

Between 1 January and 31 December 2015 the MSO appeared over 2,462 times in the media across radio, TV, print and social media/online to reach a combined audience of over 118 million people.

\*Advertising Space Rate



**2.15m**

**Broadcast audience**

Estimated audience connecting with MSO via 56 radio, television and online broadcasts, PLUS the potential millions watching the MSO perform via televised broadcast of the Cricket World Cup opening ceremony, and audiences across China tuning in to five broadcasts of MSO's Chinese New Year concert.



**13,996**

**Workshop participants**

Students, teachers and members of the wider Victorian community attended 823 sessions of 91 different workshops, discovering more about the MSO and the world of orchestral music at pre- and post-concert talks, open rehearsals, school incursions and panel discussions.

**You  
Tube**

**90,814**

**YouTube views**



**40,310**

**Facebook followers**  
↑ 41% on 2014



**10,982**

**Twitter followers**



**4,487**

**Instagram followers**



**1,353**

**Linkedin followers**



**111,000**

**Total MSO Learn app downloads**



**90,200**

**Attendance at free MSO Chorus performances**



**811,768**

**MSO Website User Sessions**

Close to half (46%) of MSO's ticket sales were purchased via digital channels.



**200+**

**Australian Schools watched the live stream of Meet the Orchestra via ABC Splash for the first time**



# 30,000

## **Attendance at Sidney Myer Music Bowl free outdoor concerts**

A gift to the people of Victoria: Thanks to the foresight of Sidney Myer and the ongoing support of the Myer Family, the MSO has been performing its free annual summer concert series at this iconic venue since 1959.





## Artistic Highlights

**26**

### Premieres

Includes 17 world premieres of new Australian works.

**21**

Guest artists appearing with the MSO for the very first time

**9**

New works commissioned by the MSO

**524**

Contact hours dedicated to the development of emerging artists

**10**

Collaborations with local festivals, events and artists

**2**

New orchestral productions developed by the MSO for international release

**10**

### Recordings

↑ from 5 in 2014

Released on CD, DVD and as online downloads in Australia and internationally.

**18**

### MSO Chorus performances

14 of those with the MSO

In 2015, the MSO Chorus attracted a paid audience of 23,854 people, and more than 90,000 at the commemoration to mark the ANZAC Centenary and to bring a little Christmas cheer at the Royal Children's Hospital.

**5**

### Special events

From the Melbourne Food and Wine Festival to an Environmental Symphony, the Melbourne Festival with Flight Facilities at the Sidney Myer Music Bowl to the Cricket World Cup, the MSO reached new audiences of more than 20,000 people at these increasingly popular MSO special events.

**'My son and I attended the Beethoven 1808 Vienna event last night!!!! WOW!! Congratulations to everyone involved – it was a truly wonderful experience, the talent outstanding. We both shed tears of joy. Thank you all. I am so grateful to MSO for providing Melbourne and beyond with its superb music.'**

Barbara Buchanan, Subscriber





## The continuation of the Mahler Cycle with Sir Andrew, moving tribute events to mark the centenary of the ANZAC landing, a new Chorus Master and a mesmerising level of musicianship and artistry are just a few of the hallmarks of this vibrant and versatile season.

Working to deliver a more profitable portfolio of performances while emphasising artistic excellence, Beethoven: The 1808 Vienna Concert and An Evening with Renée Fleming were stand out events in a year of many highlights. The historic five-hour concert recreation of Beethoven's original premiere of many of his most influential works, and the Melbourne- exclusive, sell-out orchestral event with one of the world's leading Sopranos well and truly resounded with the Melbourne community as 'must see' events on the city's cultural calendar.

With season performances ranging from Berlioz's masterpiece *The Damnation of Faust* with Bryn Terfel as Mephistopheles, to Britten's gripping *War Requiem* – a season highlight for the MSO Chorus with Guest Chorus Master Michael Black, the MSO went to the movies, played with the Wiggles, continued its lves recordings and continued its love affair with stand-out guest conductor Jakub Hrůša for an 'exhilarating' *Scheherazade*.

MSO Associate Conductor Ben Northey continued to play an invaluable role as one of Australia's leading artistic talents and audiences will see him with his own MSO series of major works in 2016.

### 12,000 tickets sold in record time

Connecting with new Melbourne audiences, our celebrated performance with Flight Facilities as part of the Melbourne Festival provided the MSO with an unprecedented level of audience engagement via social media and a record sell out of 12,000 tickets in mere hours. The event at the Sidney Myer Music Bowl, and live broadcast to the thousand watching at Federation Square was heralded as one of the top cultural events of 2015.

### Digital high note:

The #FFxMSO hashtag was used over 1000 times on Instagram and 150 times on Twitter. The MSO gained approximately 90 new followers on Facebook, 69 new followers on Twitter and almost 200 new followers on Instagram.

### Regional Tour

Extending its Victorian footprint beyond the annual Geelong season, the MSO received funding to visit additional regional centres and perform nine concerts at local venues for school groups and the wider community in Hamilton, Bendigo and Warrnambool.

### Beerhoven – a cool brew of music, venue and experience for under 35s

Attracting new audiences to the MSO, the annual Beerhoven event – now in its third year - provides younger audiences with the opportunity to get up close and personal with the musicians of the MSO. The intimate setting for the capacity audience of 101 arrived at the iconic George Ballroom in St Kilda to hear classical music matched with Mount Langi Ghiran wine and hand-crafted beer from 3 Ravens Brewery and Mash Brewing. Four live broadcasts of the event via streaming app Periscope were a first this year reaching 242 viewers.

### Beerhoven 2015 –

#### Building our future audiences:

- 34 % of attendees reported this to be their first time at an MSO concert
- 47% 1st time at Beerhoven
- 250 new Muso 'Under 35' members joined on the day
- 3,241 Muso members, up 23% on 2014

### MSO welcomes new Chorus Master

Anthony Pasquill has been appointed Associate Chorus Master for a two year term at the MSO, replacing Jonathan Grieves-Smith who retired from the MSO in April.

Named a Rising Star in Australia's choral scene by Limelight Magazine and a graduate of the Symphony Services International Core Conductors Program, Anthony will work closely with Sir Andrew Davis and some of the leaders in choral and classical repertory to build a stronger foundation for choral conducting in Australia.

### Awards

#### Double nomination for MSO at the 2015 Helpmann awards:

The MSO received two of the four nominations for the 2015 Helpmann Awards in the category 'Best Symphony Orchestra Concert' for *The Damnation of Faust* and *Mahler 3*.

#### First win for MSO at the Jazz Bell Awards:

MSO's live recording with James Morrison 'A to Z of Jazz' released through the ABC took Australia's highest honour in Jazz as winner of the Jazz Bell Award for 'Best Australian Traditional Jazz Album'. The concert (co-produced by Morrison and the MSO) went on to tour Australia and internationally.

#### Accolades for Christopher Cartlidge, viola:

The ABC Symphony Australia Young Performers Awards for emerging Australian musicians awarded MSO's Chris Cartlidge Concerto Finalist and winner in the categories of 'Best Chamber Music Performance', and 'Best Performance of an Australian Work'. The Awards are significant in that they provide young Australian performers with a launching pad into the classical music world at the international level.

### MSO at the Movies

A triple bill of MSO movie favourites in 2015: Three sold out performances of *Back to the Future* with live orchestra to mark the movie's 30th anniversary, *Star Trek*, and World Premiere of *Babe* reworked by the MSO as a live production with original composer Nigel Westlake – a first for an Australian orchestra. *Babe*, one of two productions developed by the MSO to tour with other orchestras here in Australia and overseas is expected to delight audiences in Canberra, Sydney, Tasmania and Darwin in 2016.

**'Watching a movie while listening to the MSO playing the score is the best way to watch a movie. I'm not generally a movie goer, listening to a live score gives me a greater appreciation of the art form and it is easy to promote the MSO to those who would not consider classical music of value.'**

Irene Compagnino, Subscriber



Will Dawson  
@willegitimate

Follow

Attention all bands, please add an orchestra to your line up thank you #FFxMSO #melbfest





# Artistic Highlights

## continued

### 84 artists of international standing appearing with the MSO in 2015:

<b>BAND</b> Tripod	Matthew Coorey Matthias Pintscher Nicholas Buc Nicholas Milton Nigel Westlake Richard Gill Sir Andrew Davis Tan Dun Vasily Petrenko Yan Pascal Tortelier	<b>NARRATOR</b> Helen Morse William McInnes	Jacqueline Porter Natalie Aroyan Renée Fleming Sara MacLaver Susan Gritton Tatiana Pavlovskaya
<b>BARITONE</b> Bryn Terfel Dietrich Henschel Teddy Tahu Rhodes		<b>ORGAN</b> Calvin Bowman	
<b>BASS</b> Christopher Richardson Shane Lowrencev		<b>PERCUSSION</b> Claire Edwardes	<b>TENOR</b> Andrew Goodwin Andrew Staples Bülent Bezdüz Henry Choo Ian Bostridge Steve Davislim Timothy Reynolds
<b>CELLO</b> Oliver Coates Pieter Wispelwey	<b>CONDUCTOR/ CHORUS MASTER</b> Warren Trevelyan-Jones	<b>PIANO</b> Amir Farid Benjamin Grosvenor Caroline Almonte Daniel de Borah David Fung Hoang Pham Ian Munro Jean-Efflam Bavouzet Kirill Gerstein Saleem Ashkar Simon Trpčeski Yuja Wang	<b>TRUMPET</b> James Morrison
<b>CHOIR</b> National Boys Choir of Australia Royal Melbourne Philharmonic Choir Sydney Philharmonia Choirs	<b>CONDUCTOR/PRESENTER</b> Paul Rissmann		<b>VIOLIN</b> Jack Liebeck Karen Gomyo Kolja Blacher Sarah Chang
	<b>DRUMS</b> David Jones	<b>PRESENTER</b> Graham Abbott Paul Verhoeven Petter Vabog	<b>VOCALIST</b> Kurt Elling Lisa McCune
	<b>ERHU</b> Lei Zhao	<b>SOPRANO</b> Anna Leese Bing Bing Wang Elisa Wilson Emma Matthews	
<b>CONDUCTOR</b> André de Ridder Asher Fisch Austin Wintory Benjamin Northey Bramwell Tovey Diego Matheuz Gergely Madaras Jakub Hrůša Johannes Fritsch Luke Dollman	<b>GUZHENG</b> Li Yuan		
	<b>MEZZO-SOPRANO</b> Dimitry Shepherd Fiona Campbell Renata Pokupic Sally-Anne Russell Sasha Cooke		

### World premieres of Australian works:

Name of composer	Name of piece	Performances
Alex Garsden	<i>Faculties Intact (con tutta forza)</i>	2
Alice Humphries	<i>Undertow</i>	1
John Pax	<i>surface and separation</i>	1
Harry Sdraulig	<i>kaleidoscope</i>	2
Chong Lim	<i>Creation (Welcome to Country)</i>	1
Chong Lim	<i>Heroes March Reprise</i>	1
Chong Lim	<i>Heroes March</i>	1
Chong Lim	<i>The Don</i>	1
Tripod/Wintory	<i>This Gaming Life (show)</i>	2
Bruce Smeaton	<i>Nocturne</i>	1
Nigel Westlake	Score from the movie <i>Babe</i>	2
Iain Grandage	<i>Dances with Devils Percussion Concerto</i>	2
David George	<i>Choose Your Own Adventure</i>	1
Tim Dargaville	<i>Kolam</i>	1
Wayne Kington	<i>Change and Resilience</i>	1
Samantha Wolf	<i>Under the Aspect of Eternity</i>	1
Allan Zavod	<i>Environmental Symphony</i>	1

### Works commissioned by the MSO:

1. Garsden – *Faculties Intact (con tutta forza)*
2. George – *Choose Your Own Adventure*
3. Grandage – *Dances with Devils, Percussion Concerto*
4. Humphries – *Undertow*
5. Pax – *surface and separation*
6. Pintscher – *idyll*
7. Rissmann – *H<sup>2</sup>Oz*
8. Sdraulig – *kaleidoscope*
9. Tripod / Wintory – *This Gaming Life*





## Education & Community Engagement

In 2015, the MSO presented 19 different programs through its education and community engagement division to reach over 43,000 people...almost 13,000 of those via digital channels.

### 64% increase in youth participation

28,981 children under 18 years attended 15 different MSO programs for school students and families in 2015.

### 1 in 6 Education Week students sponsored through access initiatives

16% of school students attended Education Week Concerts through the MSO's Sponsored Schools Initiative and an exciting new partnership with Art Centre Melbourne's First Call Fund which provides tickets to students from low socio-economic schools.

### 668 Pizzicato Effect classes

The MSO provided 13,924 contact hours to the 268 children attending The Pizzicato Effect at Meadows Primary School in Broadmeadows in 2015.

**'... The language doesn't really matter, music is universal..'**

Danny Lane, Artistic Director of Music and the Deaf.

### 59% increase in Education Week attendance

A highlight on the MSO calendar each year, Education Week in 2015 included 12 concerts and five workshops for a total live audience of 15,965 school students, parents, teachers and music lovers, and a further 2,394 online.

### MSO reaches 20,216 school students

MSO school program participants: 17,880 of those participated in programs for Primary Schools and 2,336 in Secondary School programs.

### MSO and The Wiggles where and when you want them

The MSO's Education Week performances and recording with The Wiggles, initially broadcast on ABC TV and on ABC iView and now available on CD and DVD provide young fans with ongoing access to their musical favourites across all formats.

### Meet the Orchestra broadcast live across Australia

From the concert hall into the classrooms and assembly halls of schools across Australia, the MSO was the first orchestra to partner with ABC's digital education website ABC Splash to broadcast its Meet the Orchestra performance live into 200 schools from Mount Gambier to Broken Hill. The concert and its associated learning resources remain online for teachers and students to access, and to date, an additional 2,394 page views have been recorded.

Presented by Paul Rissmann, Meet the Orchestra also included the audience participation of 5,794 primary students (total across all three Meet the Orchestra concerts) who performed the new co-commission *H<sup>2</sup>Oz* live with the Orchestra.

### Music and the Deaf

In 2015, students from the Victorian College for the Deaf joined MSO musicians for a special workshop led by deaf concert pianist Danny Lane and music educator Karen Kyriakou.

Part of a collaborative Australian tour between Lane's Music and the Deaf (MATD) UK and Kyriakou's Melbourne-based educational music projects organisation, TEMPO Inc., the workshop looked at inclusive ways of bringing authentic musical experiences to deaf children in Australia while also providing an opportunity for musicians to develop confidence working with deaf children.

The MSO was extremely proud to partner with these organisations to provide deaf children with the rare opportunity to experience orchestral music in a hands-on, inclusive and practical way.

## Board of Directors



**Michael Ullmer**  
Chairman

Member GC, FDC,  
FC, SRC

London-trained chartered accountant Michael Ullmer spent the first half of his career with professional accounting firms in London, the US and Australia, and the second half in banking, most recently as Deputy Group CEO of National Australia Bank (NAB). Today, he divides his time between public company directorships and not for profit roles in arts and education.

A Fellow of the Institute of Chartered Accountants, Senior Fellow of the Financial Services Institute of Australasia and member of the Nomura Australia Advisory Board, Mr Ullmer is also a Director of Lend Lease and Woolworths Limited, and a Trustee of the National Gallery of Victoria.

—  
Appointed Chairman Oct 2015

Appointed to MSO Board Jan 2007



**Andrew Dyer**

Chair FC  
Member FDC, SRC

Andrew Dyer is a Chairman and Company Director and serves on a number of boards including Zenexus, American Australian Association, Cancer Council (Victoria), Monash Engineering Foundation and The Good Foundation/Jamie Oliver Ministry of Food. He also serves on advisory boards for the Victorian College of the Arts, the Australian Regenerative Medicine Institute, Monash Sustainability Institute, Monash Business School and the Monash Industry Council of Advisors. Andrew was also appointed as Australia's first National Wind Farm Commissioner in 2015.

Previous board roles include the Transport Accident Commission and Chair of the Telecommunications Industry Ombudsman Council. A Professorial Fellow at Monash University, Andrew holds a Bachelor of Engineering from Monash University and an MBA from Georgetown University.

—  
Appointed Dec 2013



**Danny Gorog**

Member SRC

Recognised technology commentator and writer, Danny is co-founder of the award-winning mobile software development agency, Outware Mobile. One of the region's leading technology companies and one of Australia's fastest growing in the IT space.

With a double degree in IT and marketing, and a post graduate diploma in management from Melbourne University, Danny is also a Director and Board member of Melbourne University Publishing and a trustee of the Telematics Trust.

—  
Appointed Feb 2014



**Margaret Jackson AC**

Chair GC  
Member FDC

Chairman of Spotless Group Holdings Limited and Ansett Aviation Training Limited, Margaret Jackson is also Director of the Prince's Charities Australia.

Ms Jackson has an extensive list of previous roles including Chairman of Qantas, FlexiGroup Ltd, and the Victorian Transport Accident Commission. She was President of Australian Volunteers International, and Director of The Australian and New Zealand Banking Corporation, Pacific Dunlop Limited and John Fairfax Holdings Limited.

Ms Jackson was awarded Companion of the Order of Australia in the General Division (AC) in June 2003 for service to business in diverse and leading Australian corporations and to the community in the area of support for medical research, the arts and education. She also received the Centenary Medal in 2001 for service to Australian society in business.

—  
Appointed May 2015



**Brett Kelly**  
Staff-elected representative

Brett Kelly has been Principal Trombonist of the Melbourne Symphony Orchestra since 1981. He studied conducting with the distinguished Austrian/Romanian conductor Robert Rosen, and has regularly conducted the Melbourne, Sydney, Tasmanian, Queensland, Adelaide and West Australian Symphony Orchestras, along with the Auckland Philharmonia Orchestra (NZ), the Southern Sinfonia (Dunedin) and the Victorian Opera.

Previous roles include Artistic Director and Chief Conductor of The Academy of Melbourne and Resident Conductor of Chamber Made Opera.

—  
Appointed Apr 2015



**David Krasnostein**

Chair FDC  
Member FC

David Krasnostein is Chairman of Arch Finance Pty Ltd and Melbourne University Advisory Board for the Master of Banking and Financial Services Law. He is a member of the Advisory Board of Qualitas Pty Ltd, and a Director of IPAR Pty Ltd and the National Breast Cancer Foundation.

David was formerly CEO of MLC Private Equity, Chief General Counsel of National Australia Bank and Telstra's first General Counsel and Head of Strategic and Corporate Planning.

—  
Appointed Aug 2014

### MSO sub-committees

GC = Governance Committee

FDC = Foundation & Development Committee

FC = Finance Committee

SRC = Stakeholder Relations Committee





**David Li**

Member FC, FDC

David was born in Shanghai, China, started music training at an early age and performed with an orchestra in China as a violinist for many years. On arrival in Australia, David received an Australia-China Council Award and BP scholarship which allowed him to take post graduate studies in Advanced Performing Arts (Victorian College of Arts, Melbourne University), during which time he also worked for major orchestras in Australia.

After some time as a full time musician, David decided to get into the business sector. After decades, David has established a business involving manufacturing and distributing building materials, property development and investment. David is married with two children.

—  
Appointed Jul 2013



**Helen Silver AO**

Chair SRC  
Member GC

Helen Silver is currently Chief General Manager of the Workers' Compensation Division at Allianz Australia. Helen was awarded an Officer of the Order of Australia for distinguished service to public administration, business and commerce and the Victorian community in June 2015.

Previous roles include Secretary of the Department of Premier and Cabinet in Victoria, General Manager Government Business at National Australia Bank and Deputy Secretary Victorian Department of Treasury and Finance. She is a Trustee of Arts Centre Melbourne, a National Fellow of the Institute of Public Administration Australia, and a Vice-Chancellor's Professorial Fellow at Monash University.

—  
Appointed Jan 2015



**Kee Wong**

Member GC, SRC

A leader in ICT across the Asia Pacific, Kee Wong has a Bachelor of Engineering (Hons.) and an MBA and consults globally in the technology, services, retail, food and beverage, trading and property sectors.

Kee is currently the Chairman of the Board of the Australian Information Industry Association (AIIA), Deputy Chairman of Asialink, Foundation Board Member of the National Gallery of Victoria (NGV) and Monash University's Faculty of Engineering & IT. He is also a Council Member of Victoria University and was recently appointed as a Board Director to the LaunchVIC Initiative.

He was also a former member of the Board of Directors of the Australian Services Roundtable (ASR) and former Advisory Board member of the Australia-Malaysia Institute.

—  
Appointed Jan 2007

## Retired in 2015



**Harold Mitchell AC**  
Chairman

Founder of Mitchell & Partners, the largest media and communications group in Australia today, Harold Mitchell AC was awarded Victorian Australian of the Year for 2013, and Companion of the Order of Australia in 2010 for eminent service to the community.

His Foundation, the Harold Mitchell Foundation was established in 2000 and continues to distribute funds widely between health and arts sectors. With honorary doctorates and professorships from Australia's leading universities, Mr Mitchell is currently Chairman of Art Exhibitions Australia, The Florey Institute of Neuroscience and Mental Health, Australia-Indonesia Centre, and FreeTV Australia. Mr Mitchell is also Vice President of Tennis Australia, Board Member New York Philharmonic, and Non-Executive Director, Crown Limited.

—  
Appointed Nov 2008  
Retired Oct 2015



**Alastair McKean**

Educated in Wangaratta with a BMus in composition from Sydney University studying under Peter Sculthorpe, Alastair joined MSO as Orchestra Librarian in 2000 after three years with the Australian Youth Orchestra. An accomplished music writer, speaker and educator for MSO, Australian Chamber Orchestra, Auckland Philharmonia and National Music Camp among others, Alastair has been Director of Border Music Camp in Albury since 1997. His composer-in-residence program won the Australian Music Centre Award in 2005 for the leading contribution to Australian music in a regional area.

—  
Appointed Mar 2009  
Retired Apr 2015



**Ann Peacock**

Ann Peacock is the General Manager Community and Charity at Crown Melbourne. Ann is the face and voice of Crown, both to the public and to the business people of Melbourne, and continues to raise the profile of Crown as the entertainment venue of choice. She is Chair of the Crown Charity and Sponsorship Committee and sits on the Crown Resorts Foundation Board.

—  
Appointed Jan 2007  
Retired Oct 2015

# Artistic Self-Assessment

## Internal Review

The following MSO sub-committees are charged with the responsibility of meeting throughout the year to oversee the MSO's internal review and self-assessment processes:

**MSO Artistic Committee** – comprised of management representatives, the Chief Conductor and/or artistic leader, Concertmaster and elected musicians, its main purpose is to review:

- All performances including soloists, conductors and programming choices
- Orchestral performance standards
- Audition processes
- Special projects
- Rostering issues
- Recording projects
- Annual repertoire and season plans
- Future artistic leadership issues

**MSO Players' Committee** – including the Players' Executive, meets throughout the year with the Director of Operations. Members of the Committee are elected on an annual basis by all Orchestra members.

**Two MSO Consultative Committees** – for musicians and administrative staff. The Musicians Consultative Committee consists of members of the Players' Committee and Players' Executive, plus management representatives. The Staff Consultative Committee includes representatives from across the administration and senior management. The committees' roles include the discussion of day-to-day MSO operations as they relate to the Musicians and Staff Agreements.

**MSO Chorus Committee** – made up of eight singers and two management representatives, plus the Director of Artistic Planning, this committee meets to discuss issues of artistic quality and performance standards and provide written advice to the Board on Choral issues.

**Occupational Health and Safety Committee** – consists of two elected Health and Safety representatives from the Orchestra, plus the Director of Operations, Operations Manager, Production staff, Director of Human Resources and Chorus Manager. The committee monitors standards of occupational health, safety and rehabilitation and initiates plans and procedures with a view to minimising the effects of workplace hazards.

The MSO continues to work diligently to maintain a formal and transparent procedure for managing the artistic proficiency of its orchestral musicians. This process continues to be refined.

## External Assessment

MSO concerts continue to be reviewed frequently in the media, primarily through Melbourne newspapers. MSO Marketing conducts regular post show surveys of its audiences to gauge feedback around experience and future programming suggestions. MSO also receives audience feedback informally through letters, e-mails and via its website, verbal feedback at concerts, as well as via telephone and social media.

Visiting artists (both conductors and soloists) continue to provide feedback through informal discussions with the Director of Artistic Planning and/or the Managing Director. Where appropriate, this feedback is then tabled at the MSO Artistic Committee meetings for further review. Through these discussions, the MSO is able to obtain artists' feedback about the performance of the Orchestra, and benchmark it against other orchestras with which the artists had performed.

The MSO also receives feedback from its recording partners. Each of the MSO programs recorded through ABC Classic FM receives a Live Music Production Advice which contains an assessment of the Orchestra's performance, as well as feedback on its suitability for broadcast. MSO Education and Community Engagement programs also receive external feedback from a range of music education specialists, including teachers, academics, musicians, presenting partners and parents. Written feedback is also sought from teachers and students attending a variety of MSO Education Week concerts, and from program participants attending the Orchestra's community engagement activities.

## Peer Review – Artistic Survey

In 2015, MSO continued its annual self-assessment process through its Peer Review Panel. This panel consists of members of Melbourne's arts community including journalists, music educators, performers, former MSO musicians and arts administrators and provides quantitative feedback on their overall enjoyment of the concert, the conductor's, soloist's and Orchestra's performance, as well as presentation and programming. In 2015, 34 MSO concerts were reviewed with results tabled and presented to the Director of Artistic Planning. Highlights of the 2015 survey, where results varied greater than three percentage points on 2014, included:

Series	2015	2014
<b>Town Hall Proms</b>		
Presentation	<b>90%</b>	<b>79%</b>
Programming	<b>89%</b>	<b>82%</b>
<b>Monash</b>		
Programming	<b>90%</b>	<b>80%</b>
<b>Melbourne Recital Centre</b>		
Soloist performance	<b>93%</b>	<b>83%</b>
<b>Pops</b>		
Soloist performance	<b>89%</b>	<b>80%</b>
<b>Metropolis</b>		
Conductor's performance	<b>92%</b>	<b>85%</b>

# 90%

Average percentage of positive peer review assessments across core MSO series in 2015



# Corporate Governance

This statement outlines the MSO's corporate governance practices and compliance in line with Australia Council for the Arts' Eight Essential Governance Principles for Arts Organisations (Dec 2015), adapted from the Corporate Governance Principles and Recommendations, 3rd edition 2014, ASX Corporate Governance Council and ACNC Governance standards for Charities.

To ensure sound governance of the organisation, the MSO Board works to

1. Lay solid foundations for management and oversight
2. Structure the Board to add value
3. Act ethically and responsibly
4. Ensure diversity
5. Safeguard integrity in all reporting
6. Engage with stakeholders
7. Recognise and manage risk
8. Remunerate fairly and responsibly

In 2015, the primary role of the Board of Directors was to guide the implementation of the MSO's strategic objectives, outlined in the 2016-2020 strategic plan, in order to address the immediate structural deficit facing the organisation and secure a long-term, financially-sustainable future for the Orchestra.

To achieve its goal, the Board sets and monitors the management of performance outcomes, oversees changes to the organisation's structure, ensures the integrity of internal controls and processes, and approves and monitors financial and other reporting.

Key activities undertaken by the Board in 2015 include the appointment of a new Board Chairman following the retirement of Harold Mitchell AC in October; search and appointment of an interim Managing Director; search and appointment of a new Managing Director; review of Board sub-committees and their respective charters; and an extensive review of the organisation's risk management framework. The MSO is also working to develop a diversity policy that reflects the communities it engages with. In establishing measurable objectives for achieving diversity in the areas of, but not limited to, gender, age, ethnicity, disability and cultural background, the MSO will be able to assess and report on its progress and achievements.

Throughout the year, the Board delegates the management of the organisation to the Managing Director and Senior Management team, and governs each of MSO's significant business streams, supported by Board sub-committees. Membership of the sub-committees includes Board members, Senior Management and external representatives as required. The Chair of each sub-committee acts as a Board interface by representing the Board and reporting back at full Board meetings.

The current sub-committee structure includes four sub-committees, each chaired by a different Board member, with the following areas of responsibility:

## 1. Governance Committee – Chair, Margaret Jackson

- Overall Governance
- Board recruitment, division of roles and performance
- Succession planning
- Managing Director assessment and compensation

## 2. Finance Committee – Chair, Andrew Dyer

- Audit
- Earned income streams
- Organisational risk
- Review of management framework
- Driving diversity in audiences, government funding, performance revenue streams/profitability

The MSO's Finance Committee independently verifies and safeguards the integrity of its organisational risk compliance reporting, and ensures the financial records of the MSO have been properly maintained. It provides a true and fair view of the short- and long-term financial position and performance of the Orchestra, based on a sound system of risk management and internal control.

## 3. Foundation Committee – Chair, David Krasnostein

- Contributed revenue streams
- The structure of MSO Foundation
- Development portfolios: Philanthropy, Corporate Sponsorship, Trusts and Foundations
- Fundraising campaigns
- MSO investments and investment strategy

The purpose of the Foundation Committee is to raise and accumulate capital to ensure the long-term viability and financial security of the MSO, and to fund special initiatives.

## 4. Stakeholder Relations Committee – Chair, Helen Silver

- Community and Government relations

The MSO sets out an expectation that directors are deeply connected to the mission of the organisation, and as a result will participate in and support the Company's operations, for example as a subscriber and by regular attendance at special events.

MSO directors' positions are on an honorary basis, and non-executive directors and the Company Secretary do not receive remuneration for their roles as directors of the Company.

A summary of Board skills, which includes the mix of professional competencies and diversity of its membership, is updated with each Board appointment. Currently, the MSO Board includes directors with a range of skills including:

- Not For Profit
- Arts Management
- Finance And Accounting
- Business (Public Companies and Small Business) and Commercial Experience
- Law
- Government Relations
- Marketing
- Governance
- Music
- Sustainability
- Fundraising
- IT & Digital

An MSO staff-appointed director is also included on the Board, elected for a two-year term. The full list of Board directors is included on pages 20 and 21.

## 2015 BOARD AND SUB-COMMITTEE MEETINGS

Description	No of Meetings
Directors' Board Meeting	6
Directors' Strategy Meeting	1
Governance Committee (Board Sub-committee)	3
Finance Committee (Board Sub-committee)	4
Foundation Committee (Board Sub-committee)	4
Stakeholder Relations Committee (Board Sub-committee)	2

# MSO Supporters

## ARTIST CHAIR BENEFACTORS

Harold Mitchell AC  
Chief Concertmaster Chair  
Patricia Riordan  
Associate Conductor Chair  
Joy Selby Smith  
Orchestral Leadership Chair  
Marc Besen AC and Eva Besen AO  
International Guest Chair  
MSO Friends Chair  
The Gross Foundation  
Principal Second Violin Chair  
Sophie Rowell, The Ullmer Family Foundation  
Associate Concertmaster Chair  
MS Newman Family  
Principal Cello Chair  
Principal Flute Chair – Anonymous

## PROGRAM BENEFACTORS

*Meet The Music*  
Made possible by The Ullmer Family Foundation  
*East meets West*  
Supported by the Li Family Trust  
*The Pizzicato Effect*  
(Anonymous)  
*MSO Education*  
Supported by Mrs Margaret Ross AM  
and Dr Ian Ross  
*MSO Upbeat*  
Supported by Betty Amsden AO DSJ  
*MSO Connect*  
Supported by Jason Yeap OAM

## BENEFACTOR PATRONS \$50,000+

Betty Amsden AO DSJ  
Phillip Bacon AM  
Marc Besen AC and Eva Besen AO  
John and Jenny Brukner  
Rachel and the Hon. Alan Goldberg AO QC  
The Gross Foundation  
David and Angela Li  
Harold Mitchell AC  
MS Newman Family  
Roslyn Packer AO  
Joy Selby Smith  
Ullmer Family Foundation  
Anonymous (1)

## IMPRESARIO PATRONS \$20,000+

Michael Aquilina  
Perri Cutten and Jo Daniell  
Margaret Jackson AC  
John McKay and Lois McKay  
Rae Rothfield  
Inés Scotland

## MAESTRO PATRONS \$10,000+

John and Mary Barlow  
Kaye and David Birks  
Paul and Wendy Carter  
Mitchell Chipman  
Jan and Peter Clark  
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Lou Hamon OAM  
David Krasnostein and Pat Stragalinos  
Mr Greig Galey and Dr Geraldine Lazarus  
Mimie MacLaren  
Matsarol Foundation  
Ian and Jeannie Paterson  
Onbass Foundation  
Elizabeth Proust AO

Glenn Sedgwick  
Maria Solà, in memory of Malcolm Douglas  
Drs G & G Stephenson. In honour of the great  
Romanian musicians George Enescu and Dinu  
Lipatti  
Lyn Williams AM  
Kee Wong and Wai Tang  
Jason Yeap OAM  
Anonymous (2)

## PRINCIPAL PATRONS \$5,000+

Lino and Di Bresciani OAM  
Linda Britten  
David and Emma Capponi  
Paul Carter and Jennifer Bingham  
Tim and Lyn Edward  
John and Diana Frew  
Jill and Robert  
Susan Fry and Don Fry AO  
Danny Gorog and Lindy Susskind  
Nereda Hanlon and Michael Hanlon AM  
Hans and Petra Henkell  
Hartmut and Ruth Hofmann  
Jenny and Peter Hordern  
Jenkins Family Foundation  
Suzanne Kirkham  
Vivien and Graham Knowles  
Elizabeth Kraus in memory of Bryan Hobbs  
Dr Elizabeth A Lewis AM  
Peter Lovell  
The Cumming Bequest  
Annette Maluish  
Mr and Mrs D R Meagher  
Wayne and Penny Morgan  
Marie Morton FRSA  
Dr Paul Nisselle AM  
Lady Potter AC  
Stephen Shanasy  
Gai and David Taylor  
The Hon. Michael Watt QC and Cecilie Hall  
Anonymous (5)

## ASSOCIATE PATRONS \$2,500+

Dandolo Partners  
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Will and Dorothy Bailey Bequest  
Barbara Bell in memory of Elsa Bell  
Mrs S Bignell  
Stephen and Caroline Brain  
Leith and Mike Brooke  
Rhonda Burchmore  
Bill and Sandra Burdett  
Phillip and Susan Carthew and children  
Oliver Carton  
John and Lyn Coppock  
Miss Ann Darby in memory of Leslie J. Darby  
Mary and Frederick Davidson AM  
Lauraine Diggins and Michael Blanche  
Peter and Leila Doyle  
Lisa Dwyer and Dr Ian Dickson  
Jane Edmanson OAM  
Dr Helen M Ferguson  
Mr Bill Fleming  
Colin Golvan QC and Dr Deborah Golvan  
Charles and Cornelia Goode  
Michael and Susie Hamson  
Susan and Gary Hearst  
Gillian and Michael Hund  
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Kloeden Foundation

Sylvia Lavelle  
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Don and Anne Meadows  
Bruce Parncutt and Robin Campbell  
Andrew and Sarah Newbold  
Ann Peacock with Andrew and Woody Kroger  
Sue and Barry Peake  
Mrs W Peart  
Ruth and Ralph Renard  
S M Richards AM and M R Richards  
Tom and Elizabeth Romanowski  
Max and Jill Schultz  
Jeffrey Sher  
Diana and Brian Snape AM  
Geoff and Judy Steinicke  
Mr Tam Vu and Dr Cherilyn Tillman  
William and Jenny Ullmer  
Bert and Ila Vanrenen  
Barbara and Donald Weir  
Brian and Helena Worsfold  
Anonymous (13)

## PLAYER PATRONS \$1,000+

Anita and Graham Anderson, Christine and  
Mark Armour, Arnold Bloch Leibler, Marlyn and  
Peter Bancroft OAM, Adrienne Basser, Prof  
Weston Bate and Janice Bate, Timothy and  
Margaret Best, David and Helen Blackwell, Bill  
Bowness, Michael F Boyt, Philip and Vivien Brass  
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John Brockman OAM and Mrs Pat Brockman,  
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Bruce Davis, Merrowyn Deacon, Sandra Dent,  
Dominic and Natalie Dirupo, Marie Dowling,  
John and Anne Duncan, Kay Ehrenberg,  
Gabrielle Eisen, Vivien and Jack Fajgenbaum,  
Grant Fisher and Helen Bird, Barry Fradkin OAM  
and Dr Pam Fradkin, Applebay Pty Ltd, David  
Frenkiel and Esther Frenkiel OAM, Carrillo and  
Ziyin Gantner, David Gibbs and Susie O'Neill,  
Merwyn and Greta Goldblatt, Dina and Ron  
Goldschlager, George Golvan QC and Naomi  
Golvan, Dr Marged Goode, Philip and Raie  
Goodwach, Louise Gourlay OAM, Ginette and  
André Gremillet, Max Gulbin, Dr Sandra Hacker  
AO and Mr Ian Kennedy AM, Jean Hedges,  
Paula Hansky OAM and Jack Hansky AM, Tilda  
and Brian Haughney, Julian and Gisela Heinze,  
Penelope Hughes, Dr Alastair Jackson, Basil  
and Rita Jenkins, Stuart Jennings, George and  
Grace Kass, Irene Kearsey, Brett Kelly and Cindy  
Watkin, Ilma Kelson Music Foundation, Dr Anne  
Kennedy, Bryan Lawrence, Lew Foundation,  
Norman Lewis in memory of Dr Phyllis Lewis, Dr  
Anne Lierse, Violet and Jeff Loewenstein, The  
Hon Ian Macphee AO and Mrs Julie Mcphee,  
Elizabeth H Loffus, Vivienne Hadj and Rosemary  
Madden, Dr Julianne Bayliss, In memory of  
Leigh Masel, John and Margaret Mason,  
In honour of Norma and Lloyd Rees, Ruth  
Maxwell, Trevor and Moyra McAllister, David  
Menzies, Jan Minchin, John and Isobel Morgan,  
Ian Morrey, The Novy Family, Laurence O'Keefe  
and Christopher James, Graham and Christine  
Peirson, Andrew Penn and Kallie Blauhorn,  
John and Betty Pizzey, Kerry Pratchett, Peter  
Priest, Jiaxing Qin, Eli Raskin, Bobbie Renard,  
Peter and Carolyn Rendit, Dr Rosemary Ayton  
and Dr Sam Ricketson, Joan P Robinson,  
Delina Schembri-Hardy, Antler Ltd, Doug and  
Elisabeth Scott, Dr Sam Smorgon AO and Mrs  
Minnie Smorgon, John So, Dr Norman and  
Dr Sue Sonenberg, Dr Michael Soon, Pauline  
Speedy, State Music Camp, Dr Peter Strickland,



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#### THE MAHLER SYNDICATE

David and Kaye Birks, John and Jenny Brukner, Mary and Frederick Davidson AM, Tim and Lyn Edward, John and Diana Frew, Louis Hamon OAM, Francis and Robyn Hofmann, The Hon Dr Barry Jones AC, Dr Paul Nisselle AM, Maria Solà in memory of Malcolm Douglas, The Hon Michael Watt QC and Cecilie Hall, Anonymous (1)

#### MSO ROSES

Founding Rose: Jenny Brukner. Roses: Mary Barlow, Linda Britten, Wendy Carter, Annette Maluish, Lois McKay, Pat Stragalinos, Jenny Ullmer. Rosebuds: Maggie Best, Penny Barlow, Leith Brooke, Lynne Damman, Francie Doolan, Lyn Edward, Penny Hutchinson, Elizabeth A Lewis AM, Sophie Rowell, Dr Cherilyn Tillman

#### FOUNDATIONS AND TRUSTS

The A.L. Lane Foundation  
The Annie Danks Trust  
Collier Charitable Fund  
Creative Partnerships Australia  
Crown Resorts Foundation and the Packer Family Foundation  
The Cybec Foundation  
Gall Foundation  
The Harold Mitchell Foundation  
Helen Macpherson Smith Trust  
Ivor Ronald Evans Foundation, managed by Equity Trustees Limited and Mr Russell Brown Linnell/Hughes Trust, managed by Perpetual  
The Marian and EH Flack Trust  
The Perpetual Foundation – Alan (AGL) Shaw Endowment, managed by Perpetual  
The Pratt Foundation  
The Robert Salzer Foundation  
The Schapper Family Foundation  
The Scobie and Claire Mackinnon Trust

#### CONDUCTOR'S CIRCLE

Current Conductor's Circle Members: Jenny Anderson, G C Bawden and L de Kievit, Lesley Bawden, Joyce Bown, Mrs Jenny Brukner and the late Mr John Brukner, Ken Bullen, Luci and Ron Chambers, Sandra Dent, Lyn Edward, Alan Egan JP, Gunta Eglite, Louis Hamon OAM, Carol Hay, Tony Howe, Audrey M Jenkins, John and Joan Jones, George and Grace Kass, Mrs Sylvia Lavelle, Pauline and David Lawton,

Lorraine Meldrum, Cameron Mowat, Laurence O'Keefe and Christopher James, Rosia Pasteur, Elizabeth Proust AO, Penny Rawlins, Joan P Robinson, Neil Roussac, Anne Roussac-Hoyne, Jennifer Shepherd, Drs Gabriela and George Stephenson, Pamela Swansson, Lillian Tarry, Dr Cherilyn Tillman, Mr and Mrs R P Trebilcock, Michael Ullmer, Ila Vanrenen, Mr Tam Vu, Marian and Terry Wills Cooke, Mark Young, Anonymous (22)

#### THE MSO GRATEFULLY ACKNOWLEDGES THE SUPPORT RECEIVED FROM THE ESTATES OF:

Angela Beagley, Gwen Hunt, Pauline Marie Johnston, C P Kemp, Peter Forbes MacLaren, Prof Andrew McCredie, Miss Sheila Scotter AM MBE, Molly Stephens, Jean Tweedie, Herta and Fred B Vogel, Dorothy Wood

#### HONORARY APPOINTMENTS

Mrs Elizabeth Chernov  
*Education and Community Engagement Patron*  
Sir Elton John CBE  
*Life Member*  
The Honourable Alan Goldberg AO QC  
*Life Member*  
Geoffrey Rush AC  
*Ambassador*

## MSO Sponsors



Principal Partner

#### MAESTRO PARTNERS



#### OFFICIAL CAR PARTNER



#### ASSOCIATE PARTNERS



#### SUPPORTING PARTNERS

3L ALLIANCE  
ELENBERG FRASER  
FEATURE ALPHA INVESTMENT

FUTURE KIDS  
VICTORIA WHITELAW  
GOLDEN AGE GROUP

KABO LAWYERS  
LINDA BRITTEN  
HARDY AMIES

NAOMI MILGROM FOUNDATION  
UAG + SJB

#### GOVERNMENT PARTNERS



#### MEDIA PARTNERS







# Financial Report

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# Directors' Report

## for the year ended 31 December 2015

The Directors present their report together with the financial report of Melbourne Symphony Orchestra Pty Limited (the Company) for the year ended 31 December 2015 and the auditor's report thereon.

### DIRECTORS

The Directors of the Company during the financial year and until the date of this report are as follows:

Name	Date of Appointment
Mr M Ullmer (Chairman)	1 January 2007 (Chairman from 1 October 2015)
Mr H Mitchell AC	27 November 2008 (retired 1 October 2015)
Mr A Dyer	12 December 2013
Mr D Gorog	17 February 2014
Mr A Gremillet (Managing Director)	15 October 2012 (resigned 16 October 2015)
Ms M Jackson AC	8 May 2015
Mr B Kelly	20 April 2015
Mr D Krasnostein	12 August 2014
Mr D Li	1 July 2013
Mr A McKean	23 March 2009 (retired 1 April 2015)
Ms A Peacock	1 January 2007 (retired 28 October 2015)
Ms H Silver AO	14 January 2015
Mr K Wong	1 January 2007

### COMPANY SECRETARY

Mr O Carton

Appointed 13 February 2004

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the performance of symphonic music, education and community outreach activities. There were no significant changes in the nature of the activities of the Company during the year.

### REVIEW AND RESULTS OF OPERATIONS

The operating result for the year ended 31 December 2015 was a deficit of \$577,653 (equivalent result for the year ended 31 December 2014 was a surplus of \$298,770). Overall ticket sales increased by more than \$250,000 when compared to 2014. Revenue growth has not been sufficient to offset an increase in total expenditure including increases in employees and artists fees, and a decrease in donation income.

The Company presented 158 performances during the twelve months ended 31 December 2015 (31 December 2014: 156). The majority of the concerts were held in Melbourne.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

### ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements, as they apply to the Company.



## **LIKELY DEVELOPMENTS**

The Company will continue to present performances of symphonic and other orchestral music during the next financial year. The Company is focusing on building its philanthropic and corporate sponsorship income.

## **DIVIDENDS**

No dividends were paid, declared or recommended during or since the end of the financial year.

## **INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS**

### **Indemnification**

Since the end of the previous financial year, 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, legal expenses and insurance contracts. 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 2015. Such insurance contracts insure persons who are or have been directors or officers of the Company against certain liabilities (subject to certain exclusions).

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.

## **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

On 29 February 2016 the Company announced administrative changes to reposition the orchestra for long-term sustainability, in response to growing financial challenges facing orchestras around the globe. The MSO is in the process of consulting with its staff over the proposed changes and therefore cannot provide an estimate of the financial effect. Despite a strong growth in ticket sales and recent international success, other income streams have failed to keep pace with the requisite high proportion of fixed costs in running an orchestra. Necessary changes must be made to ensure organisational effectiveness, and to position the MSO for sustained growth and the establishment of a strong financial base. A reduction in administrative costs and positions, in tandem with strategies to drive additional investment, will ensure that the MSO's current performance scale, quality and artistic vibrancy can be maintained and grown. The financial effects of this proposed restructure have not been included in the 2015 financial results.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under s. 60-40 of the Australian Charities and Not for Profits Commission Act 2012 is set out on page 30.

Signed in accordance with a resolution of the Directors:

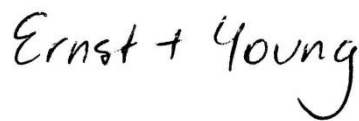


Michael Ullmer  
Chairman

Melbourne  
24 March 2016

## Auditor's Independence Declaration to the members of Melbourne Symphony Orchestra Pty Limited

In relation to our audit of the financial report of Melbourne Symphony Orchestra Pty Limited for the financial year ended 31 December 2015, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.



Ernst & Young



Joanne Lonergan  
Partner  
24 March 2016



# Statement of Comprehensive Income

for the year ended 31 December 2015

	Note	2015 \$	2014 \$
<b>REVENUES</b>			
Government grants – direct	3a	425,590	593,134
Government grants - via parent entity	3b	12,815,405	12,588,627
Ticket sales	4	10,280,866	10,025,925
Sponsorship and donation revenue	5	3,980,669	5,420,677
Other revenue	6	1,470,533	1,809,175
		<u>28,973,063</u>	<u>30,437,538</u>
<b>EXPENSES</b>			
Employee expenses		16,743,867	16,157,743
Artists fees and expenses		3,523,710	3,174,747
Marketing expenses		2,635,237	2,959,686
Production expenses		3,520,173	4,364,622
Selling expenses		258,063	316,770
Depreciation and amortisation	7	238,361	285,324
Management fee		365,929	362,639
Other expenses		2,265,376	2,517,237
		<u>29,550,716</u>	<u>30,138,768</u>
<b>Surplus/(Deficit)</b>		<b>(577,653)</b>	<b>298,770</b>
<b>TOTAL COMPREHENSIVE INCOME/(DEFICIT)</b>		<b><u>(577,653)</u></b>	<b><u>298,770</u></b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

## Statement of Financial Position

as at 31 December 2015

	Note	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	15	2,081,720	3,571,941
Other financial assets	10	7,960,297	7,754,802
Receivables	8	5,309,536	657,995
Other current assets	9	430,738	233,143
<b>TOTAL CURRENT ASSETS</b>		<u>15,782,291</u>	<u>12,217,881</u>
<b>NON-CURRENT ASSETS</b>			
Receivables	8	19,643	20,966
Plant and equipment	11	424,862	476,092
Intangible assets	12	-	98,219
<b>TOTAL NON-CURRENT ASSETS</b>		<u>444,505</u>	<u>595,277</u>
<b>TOTAL ASSETS</b>		<u>16,226,796</u>	<u>12,813,158</u>
<b>CURRENT LIABILITIES</b>			
Payables	13	6,748,764	2,077,268
Unearned ticket sales		4,134,490	4,478,241
Provisions	16	2,918,564	3,186,097
<b>TOTAL CURRENT LIABILITIES</b>		<u>13,801,818</u>	<u>9,741,606</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	16	292,958	361,879
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>292,958</u>	<u>361,879</u>
<b>TOTAL LIABILITIES</b>		<u>14,094,776</u>	<u>10,103,485</u>
<b>NET ASSETS</b>		<u>2,132,020</u>	<u>2,709,673</u>
<b>SHAREHOLDERS' EQUITY</b>			
Contributed equity	14	438,002	438,002
MSO Reserves	21	1,694,018	2,271,671
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>2,132,020</u>	<u>2,709,673</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

## Statement of Changes in Equity

for the year ended 31 December 2015

	Contributed Equity	Accumulated deficit	MSO Foundation Reserve	MSO RIS Reserve	Total Equity
	(Note 14)	(Note 21(a))	(Note 21(b))	(Note 21(c))	
<b>SHAREHOLDERS' EQUITY</b>	\$	\$	\$	\$	\$
<b>As at 31 December 2013</b>	<b>438,002</b>	<b>(5,057,289)</b>	<b>3,267,791</b>	<b>3,762,399</b>	<b>2,410,903</b>
Total comprehensive income/(deficit)	-	298,770	-	-	298,770
Transferred to reserves	-	(281,293)	136,015	145,278	-
<b>As at 31 December 2014</b>	<b>438,002</b>	<b>(5,039,812)</b>	<b>3,403,806</b>	<b>3,907,677</b>	<b>2,709,673</b>
Total comprehensive income/(deficit)	-	(577,653)	-	-	(577,653)
Transferred to reserves	-	(262,247)	125,847	136,400	-
<b>As at 31 December 2015</b>	<b>438,002</b>	<b>(5,879,712)</b>	<b>3,529,653</b>	<b>4,044,077</b>	<b>2,132,020</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.



## Statement of Cash Flows

for the year ended 31 December 2015

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from government funding (incl GST)		14,661,895	14,499,937
Receipts from ticket sales		10,187,413	9,451,397
Receipts from sponsorships (incl GST) and donations		3,739,217	5,618,152
Receipts from other revenue		1,128,216	1,556,849
Interest received		315,702	451,051
Payments to suppliers, employees and artists (incl GST)		(31,235,406)	(30,152,282)
<b>NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		<b>(1,202,963)</b>	<b>1,425,104</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Monies placed on Term Deposit		(205,485)	(327,444)
Payment for property, plant and equipment	11	(105,585)	(92,581)
Proceeds from sale of property, plant and equipment		23,812	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(287,258)</b>	<b>(420,025)</b>
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(1,490,221)</b>	<b>1,005,079</b>
Cash & Cash equivalents at the beginning of the financial year		3,571,941	2,566,862
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	15	<b>2,081,720</b>	<b>3,571,941</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

# Notes to the Financial Statements

## for the year ended 31 December 2015

### 1. CORPORATE INFORMATION

The financial report of the Company for the year ended 31 December 2015 was authorised for issue in accordance with a resolution of Directors on 24 March 2016.

The Company is a proprietary limited company incorporated in Australia. The ultimate parent of the Company is Melbourne Symphony Orchestra Holdings Limited (MSOHL).

MSOHL is a public company limited by guarantee and was incorporated in Australia on 19 October 2006 and subsequently purchased all shares in the Company from the Australian Broadcasting Corporation (ABC) for \$10.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

### 2. 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 the requirements of the Australian Charities and Not for Profits Commission Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or fair values 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 period.

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

The financial report is presented in Australian dollars.

#### b) Statement of compliance

The Company has adopted AASB 1053 Application of Tiers of Australian Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 July 2013.

The Company is a not-for-profit, private sector entity which is not publically accountable. Therefore, the financial statements for the Company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (Including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not for Profits Commission Act 2012.

The adoption of AASB1053 and AASB 2010-2 allowed the Company to remove a number of disclosures. There are no other impacts on the current or prior year financial statements.

#### c) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of Goods and Services Tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### ***Ticket sales***

Ticket sales are recognised at the time of concert performance. The value of tickets sold in advance of each concert is recorded as prepaid ticket sales and recognised as a liability.

### ***Sponsorship revenue***

Sponsorship revenue is recognised during the period in which sponsorship benefits are provided. Sponsorship revenue is traditionally paid in advance – the value of unearned sponsorship revenue is recognised as a liability.

### ***Government funding revenue***

Funding revenue comprises funding from the Federal Government through the Australia Council for the Arts, the State Government of Victoria through the Ministry for Creative Industries (formerly Ministry for the Arts) and the City of Melbourne.

The current tripartite funding agreement between MSOHL, the Australia Council for the Arts through the Major Performing Arts Board, and the Victoria Ministry for Creative Industries, through Creative Victoria (formerly Arts Victoria), is for a period of three years ended 31 December 2018. Refer to note 22 “Economic Dependency” with respect to funding secured for 2016.

Funding revenue is recognised when due 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.

### ***Government grants***

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received. Government grants relating to costs are deferred, held as unearned revenue, and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

### ***Interest revenue***

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

### ***Sale of non-current assets***

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The surplus or deficit on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

### ***Donations, bequests and grants***

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount can be measured reliably.



## **2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **d) Income Tax and Goods and Services Tax (GST)**

The Company is exempt from income tax as it is an exempt charitable institution in accordance with Subdivision 50-B of the Income Tax Assessment Act 1997.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. 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 components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### **e) Cash and cash equivalents**

Cash and cash equivalents, including short-term deposits with a maturity of three months or less, are carried at face value of the amounts deposited. The carrying amounts of cash and cash equivalents, including short-term deposits, approximate net fair value.

### **f) Receivables**

Trade receivables, which generally have 30-90 day terms, are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt. Management consider such objective evidence to include, but not be limited to formal correspondence from a trade receivable indicating its inability to repay the amount outstanding.

### **g) Other financial assets**

Other financial assets are term deposits that do not meet the definition of cash and cash equivalents. Other financial assets are recorded at amortised cost using the effective interest rate method where the amount is materially different from the face value of the term deposit. Otherwise, the term deposits are recorded at face value.

### **h) Impairment of non-financial assets other than goodwill**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### i) Plant and equipment

All items of plant and equipment are carried at their historical cost of acquisition, being the fair value of the consideration provided plus the incidental costs directly attributable to the acquisition, less any accumulated impairment losses, less accumulated depreciation, and recoverable amount.

#### **Subsequent additional costs**

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance of the asset, will flow to the Company in future years.

Costs that do not meet the criteria for capitalisation are expensed as incurred.

The residual values, useful lives and amortisation methods of all items of plant and equipment are reviewed and adjusted if appropriate, at each financial year-end.

#### **Intangible assets**

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Intangible assets include the online ticket system on the Company's website and Tessitura Customer Relationship Management (CRM) ticketing system. Costs capitalised include external direct costs of materials and service and payroll related costs relating to the time spent by those employees' directly engaged on the project. Amortisation is calculated on a straight line basis over 3 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

### j) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases (notes 7 and 20). Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

### k) Depreciation

#### **Useful lives**

Items of plant and equipment, leasehold improvements, computer equipment and musical instruments are depreciated using the straight-line method over their estimated useful lives. Assets are depreciated from the date of acquisition. Depreciation rates and methods are reviewed annually for appropriateness. Depreciation is expensed.

The depreciation rates used for each class of asset are as follows:

<b><u>Asset class</u></b>	<b><u>Depreciation rates</u></b>
Plant & equipment	10% - 30%
Musical instruments	10% - 20%
Computer equipment	20% - 30%
Leasehold improvement	10% - 33.3%

### l) Payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### m) Employee benefits

Employee benefits comprise wages and salaries, annual and long service leave, and contributions to superannuation plans.

#### ***Wages, salaries and annual leave***

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled.

#### ***Long service leave***

The provision 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 reporting date.

The provision is calculated using estimated future increases in wage and salary rates, including related on-costs, and expected settlement rates based on turnover history and is discounted using the rates attaching to national government bonds at balance date which most closely match the terms of maturity of the related liabilities.

### n) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The following critical accounting policies have been identified for which significant judgements, estimates and assumptions are made.

#### ***Provision for employee benefits***

Probabilities regarding staff turnover, when staff take leave and future wage rates are based on historical experience.

### o) Marketing costs

Advertising and promotional costs are expensed as incurred.

### p) Comparatives

Where a change in accounting treatment has resulted in significant differences between financial years, prior year data has been reclassified to assist comparison.



<b>3. FUNDING REVENUE</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>a) Funding from Government</b>		
Creative Victoria - Melbourne Symphony Orchestra Chorus Grant	125,590	125,590
City of Melbourne - Annual Grant	300,000	337,544
City of Melbourne - "Late Nights" Festival Grant	-	30,000
Attorney General's Department, Ministry for Arts – 2014 European Tour Grant	-	100,000
	<b>425,590</b>	<b>593,134</b>

<b>b) Government Funding via Parent Entity</b>		
Australia Council for the Arts - Annual Grant	10,534,883	10,308,105
Creative Victoria - Annual Grant	2,280,522	2,280,522
	<b>12,815,405</b>	<b>12,588,627</b>
<b>Total Funding</b>	<b>13,240,995</b>	<b>13,181,761</b>

Provision of funds by MSOHL to the Company originates from federal and state governments, through the Australia Council for the Arts and Creative Victoria (formerly Arts Victoria) and is paid to MSOHL. A funding agreement between MSOHL and the Company provides the basis for the funds to be passed to the Company.

<b>4. TICKET SALES REVENUE</b>		
Subscription sales	4,130,964	4,350,904
Single night ticket sales	6,149,902	5,675,021
	<b>10,280,866</b>	<b>10,025,925</b>

<b>5. SPONSORSHIP AND DONATION REVENUE</b>		
Sponsorship	901,389	857,952
Donations	2,261,466	3,239,443
Bequests	-	11,200
Grants and trusts	817,814	1,312,082
	<b>3,980,669</b>	<b>5,420,677</b>

<b>6. OTHER REVENUE</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Interest	364,803	411,663
Orchestral hire & performance fees	421,903	773,871
Other	683,827	623,641
	<b>1,470,533</b>	<b>1,809,175</b>

## 7. EXPENSES

Net Surplus/(Deficit) for the year has been arrived at after charging the following items:

Depreciation:		
Plant and equipment	24,546	25,292
Office equipment, furniture and fittings	5,545	12,530
Computers	41,498	25,574
Leasehold Improvements	18,999	18,999
Musical instruments	49,554	61,612
<b>Total Depreciation (Note 11)</b>	<b>140,142</b>	<b>144,007</b>
Amortisation (Note 12)	98,219	141,317
<b>Total Depreciation and Amortisation</b>	<b>238,361</b>	<b>285,324</b>
Superannuation expense	1,928,283	1,868,102
Operating lease rental expenses		
Lease payments - car	15,919	10,383
Lease payments - office equipment	25,786	20,480
Lease payments - office rental	189,803	188,678

## 8. RECEIVABLES

### a) Trade and other receivables

<i>Current</i>		
Trade receivables	425,511	584,655
Government funding invoiced in advance	4,791,469	-
Sponsorship invoiced in advance	35,000	-
GST receivable	57,556	78,789
Provision for impairment of receivables	-	(5,449)
	<b>5,309,536</b>	<b>657,995</b>

### *Non-current*

Other receivables	<b>19,643</b>	<b>20,966</b>
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### b) Trade and other debtors ageing:

0 to 60 days	5,204,893	569,213
61 to 90 days	23,399	8,477
Over 90 days	43,331	27,931
<b>Total trade and other receivables</b>	<b>5,271,623</b>	<b>605,621</b>

Trade receivables are non-interest bearing and are normally settled in 30 days. Other receivables amounts generally arise from transactions outside the usual operating activities of the Company.

	2015 \$	2014 \$
<b>9. OTHER CURRENT ASSETS</b>		
Prepayments	347,682	213,493
Accrued interest	68,751	19,650
Accrued income	14,305	-
<b>Total Other Current Assets</b>	<b>430,738</b>	<b>233,143</b>

#### 10. OTHER FINANCIAL ASSETS

MSO RIS term deposit	4,140,316	4,033,434
MSO Foundation term deposit	3,819,981	3,721,368
	<b>7,960,297</b>	<b>7,754,802</b>

Investments held in the MSO Reserves Incentive Scheme (RIS) reserve of \$4,140,316 (2014: \$4,033,434) comprises funds which are set aside, unencumbered and held in escrow, for 15 years until 3 June 2019. Refer note 21(c).

Investments held in the MSO Foundation reserve of \$3,819,981 (2014: \$3,721,368) are those with maturity of more than 60 days. These funds are set aside for the long term viability of the MSO and are governed by the MSO Foundation Constitution.

#### 11. PLANT AND EQUIPMENT

	Plant and equipment \$	Musical instruments \$	Office equipment \$	Leasehold Improve- ments \$	Computer equipment \$	Total \$
<i>Cost:</i>						
Opening balance	187,901	1,395,062	91,440	79,938	353,578	2,107,919
Additions	-	46,153	-	-	59,432	105,585
Disposal	-	(22,480)	-	-	-	(22,480)
<b>Closing Balance</b>	<b>187,901</b>	<b>1,418,735</b>	<b>91,440</b>	<b>79,938</b>	<b>413,010</b>	<b>2,191,024</b>
<i>Accumulated depreciation:</i>						
Opening balance	159,635	1,078,003	75,847	40,549	277,793	1,631,827
Depreciation expense (Note 7)	24,546	49,554	5,545	18,999	41,498	140,142
Disposal	-	(5,807)	-	-	-	(5,807)
<b>Closing balance</b>	<b>184,181</b>	<b>1,121,750</b>	<b>81,392</b>	<b>59,548</b>	<b>319,291</b>	<b>1,766,162</b>
<b>Net book value, 31 December 2015</b>	<b>3,720</b>	<b>296,985</b>	<b>10,048</b>	<b>20,390</b>	<b>93,719</b>	<b>424,862</b>
<b>Net book value, 31 December 2014</b>	<b>28,266</b>	<b>317,059</b>	<b>15,593</b>	<b>39,389</b>	<b>75,785</b>	<b>476,092</b>



## 12. INTANGIBLE ASSETS

	Website	Tessitura CRM	Total
	\$	\$	\$
<i>Cost:</i>			
Opening balance	142,065	281,885	423,950
Additions	-	-	-
Disposals	-	-	-
<b>Closing balance</b>	<b>142,065</b>	<b>281,885</b>	<b>423,950</b>
<i>Accumulated amortisation:</i>			
Opening balance	98,656	227,075	325,731
Amortisation expense (Note 7)	43,409	54,810	98,219
Disposal	-	-	-
<b>Closing balance</b>	<b>142,065</b>	<b>281,885</b>	<b>423,950</b>
<b>Net book value, 31 December 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value, 31 December 2014</b>	<b>43,409</b>	<b>54,810</b>	<b>98,219</b>

## 13. PAYABLES

	2015	2014
	\$	\$
Trade creditors	915,819	1,243,406
Other creditors and accruals	544,372	480,982
Unearned government funding	4,901,469	-
Unearned sponsorship revenue	314,079	319,149
Unearned other revenue	73,025	33,731
<b>Total Payables</b>	<b>6,748,764</b>	<b>2,077,268</b>

Trade payables are non-interest bearing and are normally settled in 30 days.

	2015 \$	2014 \$
<b>14. CONTRIBUTED EQUITY</b>		
Share capital		
438,002 (2014: 438,002) ordinary shares, fully paid	<b>438,002</b>	<b>438,002</b>

On 31 December 2006 MSOHL purchased all shares of the Company that were previously held by the ABC.

#### 15. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank and short-term deposits at call. Cash assets as at the end of the financial year as shown in the statement of cash flows are as follows:

Cash	2,081,720	2,571,941
Cash equivalents	-	1,000,000
	<b>2,081,720</b>	<b>3,571,941</b>

Cash equivalents at 31 December 2014 of \$1,000,000 included short term deposits which had a maturity date of less than three months at year end.

#### 16. PROVISIONS

##### Employee Benefits

<i>Current</i>		
Annual Leave	822,717	848,067
Long Service Leave	2,095,847	2,095,190
	<b>2,918,564</b>	<b>2,943,257</b>
<i>Non-current</i>		
Long Service Leave	292,958	361,879
<b>Total</b>	<b>3,211,522</b>	<b>3,305,136</b>

<b>Other Provisions - Current</b>	<b>-</b>	<b>242,840</b>
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Assumed rate of increase in wage and salary rates	3.0%	3.0%
Discount rate (weighted average)	3.8%	2.4%
Settlement rate	10 years	10 years
Average full-time equivalent employees	154.61	148.99

## 17. KEY MANAGEMENT PERSONNEL

### a) Details of Key Management Personnel

#### (i) Directors

The numbers of meetings of the Company's board of directors held during the year ended 31 December 2015, and the numbers of meetings attended by each director were:

Name	Position Held	Held	Eligible	Attended
Mr M Ullmer	Chairman, Non-Executive Director	6	6	6
Mr H Mitchell AC	Chairman, Non-Executive Director – retired 1 October 2015	6	4	4
Mr A Dyer	Non-Executive Director	6	6	6
Mr D Gorog	Non-Executive Director	6	6	6
Mr A Gremillet	Managing Director – resigned 16 October 2015	6	4	4
Ms M Jackson AC	Non-Executive Director	6	4	4
Mr B Kelly	Director – appointed 20 April 2015	6	5	4
Mr D Krasnostein	Non-Executive Director	6	6	4
Mr D Li	Non-Executive Director	6	6	5
Mr A McKean	Director - retired 1 April 2015	6	1	1
Ms A Peacock	Non-Executive Director – retired 28 October 2015	6	4	4
Ms H Silver AO	Non-Executive Director	6	6	4
Mr K Wong	Non-Executive Director	6	6	4

### b) Compensation of Key Management Personnel

	2015	2014
Compensation	\$1,584,825	\$1,291,273
Number of KMP	14	10
Average KMP FTE	8.9	6.8

Key management personnel comprise board appointed personnel and other persons having the responsibilities for planning, directing and controlling the major activities of the Company. The number of KMP above includes where two people have held the role during the year. The Directors positions are on an honorary basis, as such, Non-Executive Directors do not receive remuneration for their role as a Director of the Company.

### c) Transactions with key management personnel

Refer to note 18 for details of significant transactions between the Company and key management personnel.



## 18. RELATED PARTIES

### a) Directors

The names of each person holding the position of Director of the Company during the financial year are detailed in the Directors' Report and note 17(a).

### b) Parent Entities

The ultimate holding company of the Company is MSOHL which owns 100% of the equity in the Company. The Directors of MSOHL are also Directors of the Company. An agreement between MSOHL and the Company exists whereby MSOHL has agreed to fund the Company via contributions from the Australia Council for the Arts through the Major Performing Arts Board and the Victoria Ministry for Creative Industries through Creative Victoria. A service agreement that is governed by the contents of the Tripartite Agreement exists between the two entities MSOHL and the Company. Corporate costs associated with MSOHL have been met by the Company.

### c) Key Management Personnel

Details of compensation for key management personnel are in note 17(b).

### d) Transactions with other related parties

The following transactions occurred with related parties:

- i) **Donations**  
Donations received from Directors and director-related entities in 2015 were \$591,990 (2014: \$1,054,599). Table purchases and auction proceeds from Directors and director-related entities at the Company's annual gala in 2015 were \$46,800 (2014: \$17,600).
- ii) **Sponsorship**  
Sponsorship from Director-related entities in 2015 was \$121,516 (2014: \$201,097).
- iii) **Grants revenue**  
In 2014, the City of Melbourne (of which former Director Rohan Leppert was a councillor) made grants of \$367,544 to the Company for various purposes (refer note 3a).
- iv) **Complimentary tickets**  
From time to time, complimentary tickets are provided to Board members as part of their role in development activities for the Company.

### e) Loans to/from related parties

There are no loans to or from the Company with related parties (2014: nil).

### f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## 19. AUDITOR'S REMUNERATION

	2015 \$	2014 \$
Amounts received or due and receivable by Ernst & Young Australia for:		
• Audit or review of the financial report of the entity and any other entity in the consolidated group	32,198	31,620
• Other services in relation to the entity and any other entity in the consolidated group	8,500	25,120
<b>Total</b>	<b>40,698</b>	<b>56,740</b>

In 2015, \$10,000 of the audit fee is delivered via the provision of concert experiences, including tickets to concerts.

	2015 \$	2014 \$
<b>20. EXPENDITURE COMMITMENTS</b>		
<i>Artists fees contracted, but not provided for, and payable:</i>		
Within one year	953,870	719,476
One year or later, but not later than five years	1,947,000	619,000
	<b>2,900,870</b>	<b>1,338,476</b>
<i>Car lease expenditure committed as per agreements:</i>		
Within one year	7,915	7,915
One year or later, but not later than five years	3,957	11,872
	<b>11,872</b>	<b>19,787</b>
<i>Consulting (Professional Services) contracts as per agreements</i>		
Within one year	351,950	71,610
One year or later, but not later than five years	-	-
	<b>351,950</b>	<b>71,610</b>
<i>Rental leases committed as per agreements (Administrative, Box Office premises and van)</i>		
Within one year	93,017	188,317
One year or later, but not later than five years	-	78,662
	<b>93,017</b>	<b>266,979</b>
<i>Other Contractual Commitments (Office Equipment)</i>		
Within one year	23,587	-
One year or later, but not later than five years	24,458	-
	<b>48,045</b>	<b>-</b>
<i>Venue Rental Commitments</i>		
Within one year	1,165,542	106,151
One year or later, but not later than five years	-	-
	<b>1,165,542</b>	<b>106,151</b>
<b>Total</b>	<b>4,571,296</b>	<b>1,803,003</b>

The increase in contractual commitments in 2015 is primarily due to the timing of contractual negotiations and arrangements with Artists and venues. The Company has provided the lessor of the MSO Box Office with a bank guarantee of \$25,012 (2014: \$25,012) which can be drawn upon by the lessor in the event that the Company does not meet its contractual obligations under the lease agreement.

Expenditure commitments are contracted up to the following dates:

- Artist fees – December 2019
- Car leases – June 2017

## 21. RESERVES

	2015 \$	2014 \$
<b>a) Retained surplus/(accumulated deficit)</b>		
Accumulated deficit at the beginning of the year	(5,039,812)	(5,057,289)
Surplus/(deficit) from ordinary activities for the year	(577,653)	298,770
Transfer of interest earned on and donations to the MSO Foundation Reserve	(125,847)	(136,015)
Transfer of interest earned on MSO RIS Reserve	(136,400)	(145,278)
<b>Retained surplus/(accumulated deficit) at year end</b>	<b>(5,879,712)</b>	<b>(5,039,812)</b>

### b) MSO Foundation Reserve

Opening balance	3,403,806	3,267,791
Transfer from Accumulated deficit	125,847	136,015
<b>Accumulated funds at year end</b>	<b>3,529,653</b>	<b>3,403,806</b>

The purpose of the MSO Foundation Reserve is to accumulate capital to ensure the long-term viability and financial security of the Company. The interest accrued on the investment of the Fund, and the capital as permitted in its constitution, may be used for MSO projects that come within the purposes of the MSO Articles of Association.

### c) MSO Reserves Incentives Scheme (RIS)

Opening balance	3,907,677	3,762,399
Transfer from Accumulated deficit	136,400	145,278
<b>Accumulated funds at year-end</b>	<b>4,044,077</b>	<b>3,907,677</b>

<b>TOTAL</b>	<b>1,694,018</b>	<b>2,271,671</b>
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The MSO Reserves Incentive Scheme (RIS) is designed to encourage and assist major performing arts companies to strengthen their balance sheets by building reserves to a level that is sufficient to underpin their financial health and provide a base to take on appropriate artistic and access risks.

The Australia Council and the Victorian Government have, together with the Company, contributed funds which are set aside, unencumbered and subject to the terms and conditions of the Reserves Incentives Scheme Funding Agreement. All income received on the funds received must be re-invested with the funds received and held in escrow for 15 years. Except in very limited circumstances, these funds are not accessible to the Company until 3 June 2019 and have not been used to secure any liabilities of the Company. In 2016, the Company has had approval from funding partners to access RIS funds to assist with restructure costs.

## 22. ECONOMIC DEPENDENCY

Provision of federal and state funding via the parent company, MSOHL, to the Company is in respect of funds payable as a result of the Orchestra Review Implementation Funding Agreement. It originates from federal and state governments, through the Australia Council for the Arts and the Victoria Ministry for Creative Industries and is paid to MSOHL. A funding agreement between MSOHL and the Company provides the basis for the funds to be passed to the Company. As a result, the company is economically dependent on MSOHL, and in turn, on the Australia Council for the Arts and the Victoria Ministry for Creative Industries.

A tripartite funding agreement between MSOHL, the Australia Council for the Arts through the Major Performing Arts Board, and the Victoria Ministry for Creative Industries, through Creative Victoria was entered into for a period of three years ending 31 December 2018.

This funding is subject to the Company continuing to comply with the terms of the relevant agreement and providing certain financial reports on a monthly basis.

## 23. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2015 (31 Dec 2014: Nil).

## 24. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 29 February 2016 the Company announced administrative changes to reposition the orchestra for long-term sustainability, in response to growing financial challenges facing orchestras around the globe. The MSO is in the process of consulting with its staff over the proposed changes and therefore cannot provide an estimate of the financial effect. Despite a strong growth in ticket sales and recent international success, other income streams have failed to keep pace with the requisite high proportion of fixed costs in running an orchestra. Necessary changes must be made to ensure organisational effectiveness, and to position the MSO for sustained growth and the establishment of a strong financial base. A reduction in administrative costs and positions, in tandem with strategies to drive additional investment, will ensure that the MSO's current performance scale, quality and artistic vibrancy can be maintained and grown. The financial effects of this proposed restructure have not been included in the 2015 financial results.

## 25. ENTITY INFORMATION

Melbourne Symphony Orchestra Pty Limited is a company limited by shares, incorporated in Australia and having its registered office address and principal place of business at:

ABC Southbank Centre  
120 - 130 Southbank Boulevard  
Southbank VIC 3006

The postal address of Melbourne Symphony Orchestra Pty Limited is:

GPO Box 9994  
Melbourne VIC 3001



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## Directors' Declaration

In the opinion of the Directors of Melbourne Symphony Orchestra Pty Limited ("the Company"):

- (a) the financial statements and notes of the Company are in accordance with the Australian Charities and Not for Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Company as at 31 December 2015 and of its performance, as represented by the results of its operations and its cash flows for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not for Profits Commission Regulation 2013; 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.

Signed in accordance with a resolution of the Directors:



Michael Ullmer  
Chairman

Melbourne  
24 March 2016

## Independent auditor's report to the members of Melbourne Symphony Orchestra Pty Limited

### Report on the financial report

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

### Directors' responsibility for the financial report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

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

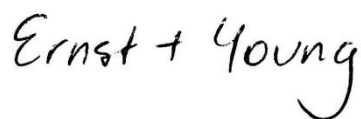
### Independence

In conducting our audit we have complied with the independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012. We have given to the directors of the registered entity a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

## Opinion

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

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



Ernst & Young



Joanne Lonergan  
Partner  
Melbourne  
24 March 2016



