

---

Annual  
Report  
2006

---



---

Victorian  
Opera



# Contents

<u>Chairman's Report</u>	<u>5</u>
<u>Music Director's Report</u>	<u>6</u>
<u>General Manager's Report</u>	<u>8</u>
<u>The Company</u>	<u>10</u>
<u>Patrons</u>	<u>12</u>
<u>Partners</u>	<u>13</u>
<u>Directors' Report</u>	<u>15 - 17</u>
<u>Annual Financial Report</u>	<u>18 - 31</u>





Left: *Così fan tutte*,  
19-26 August 2006.  
Gary Rowley and  
Tiffany Speight.  
Photo by Lucas Allen.

# Chairman's Report



Reflecting on this, Victorian Opera's first year of operations, it is important to recognise that the Company has come into being as a result of a visionary initiative by the Victorian Government.

There has been much to achieve in this vital first year, and we have been delighted at the reception our presentations have received from the Victorian public.

Richard Gill as Music Director has articulated a firm and powerful vision, which includes opportunities for Victorian artists at all ages and stages to develop their craft and to work in a professional environment. His collaboration with Jean-Pierre Mignon resulted the Company's debut production of *Così fan tutte* which was received enthusiastically by audience-members and reviewers alike and has been recognized with a Green Room Award for best direction.

In order for the company to achieve sustainable growth over the coming years, it needs a solid financial base. Strict containment of costs and better than budget box office and philanthropic support has allowed a financial result for 2006 which immediately reaches the 20% reserve level desirable for performing arts companies. This reserve will allow the company to plan future years with a sense of security.

Significant support has been received by Victorian Opera in our first year, as the Victorian Government's funding has been augmented by contributions from the University of Melbourne, the Robert Salzer Foundation, a number of corporate supporters and a large number of individual donors.

Victorian Opera has had a successful and auspicious first year, but there is clearly more to be achieved as the company builds its bases of audience, artists and supporters. We look forward to working with all of you to build a company of which all Victorians can be proud.

**Michael Roux**  
Chairman

# Music Director's Report



## Noye's Fludde

The first event for Victorian Opera was Benjamin Britten's opera *Noye's Fludde*, an opera written especially for a community and in this case presented by a Victorian community.

It must be said at the outset of this report that the relationship between VO and the Victorian College of the Arts School of Production demonstrates a sense of community in a very immediate and special way. The combination of student and professional is potent and this VO/VCA relationship nurtures this combination in an equally potent and fruitful way.

It is very pleasing, therefore, to report that the communities of the Victorian College of the Arts, University of Melbourne Faculty of Music, Blackburn and Melbourne High Schools, combined with Victorian Opera's staff to present this production to sell-out crowds. Directed by one of the VCA's graduates, Naomi Edwards and conducted by one of VO's developing artists, Nicholas Carter, it was indeed a project for young people by young people.

Availability of theatres and artists dictated the order of Victorian Opera's first season, but commencing with a project of this nature gained the company a huge number of acquaintances in the form of parents, relatives, friends and associates of the young cast and orchestra, who, had events been otherwise, might not have come to know about Victorian Opera's existence.

The genesis of the Balcony Club, a club which encourages the younger members of our community to attend productions at a reduced rate and to become regular attendees at operatic events, can be traced to this production.

The cast was drawn from all who auditioned and included over 140 participants from local and regional primary, secondary, state and private schools, all of whom were imaginatively and convincingly directed and conducted by the nascent talent. It would be churlish to mention characters by name as all who took part gave of their best without exception. The official feed-back from the participants and the parents was overwhelmingly positive; a strong start for the company.

## Gala Concert

A celebration of Victorian vocal and instrumental talent would be the best way to describe the Gala Concert. The wonderful sounds of Orchestra Victoria, led by the redoubtable Jo Beaumont, the Victorian Opera chorus in its maiden appearance thrilling the audience with its full-throated glorious singing, the huge range of soloists including Victoria's very own Rosamund Illing and Roxane Hislop enchanted and delighted the capacity audience at Hamer Hall on July 15th, 2006.

The finale of Act II from Mozart's *The Magic Flute* occupied the second half of the evening which had begun with a potted vocal history of opera from Monteverdi to Puccini. Here again, as with *Noye's Fludde*, the reaction of the audience to the program was wonderfully positive. The concept of the operatic concert should not be underestimated. The concert is a powerful vehicle for displaying in a succinct and telling way, the strengths of an opera company and is a mode of presentation becoming increasingly popular here and abroad.

## Così fan tutte

The 2006 Green Room awards in Melbourne saw Director, Jean-Pierre Mignon being recognized for his outstanding direction of Mozart's timeless masterpiece *Così fan tutte*. This production marked Mignon's return to the operatic stage in Melbourne during which time he displayed his powerful directorial insights into Mozart's and Lorenzo da Ponte's enigmatic, even misanthropic, masterpiece.

In a cast led by the incomparable Tiffany Speight as Despina and the deliciously malevolent Gary Rowley as Don Alfonso, Antoinette Halloran, a glorious Fiordiligi and Jacqui Dark an equally glorious Dorabella fell prey to the wily charms of the beguiling tenor of Christopher Saunders, Ferrando and the irresistible baritone of Christopher Tonkin, Guglielmo.

Peter Exton led Orchestra Victoria from the pit of Her Majesty's Theatre in a production cleverly designed by Christina Smith with lighting by the gifted John Buswell. Victorian Opera's chorus provided appropriate and convincing musical and dramatic support.

## St. John Passion

The richness and vastness of J.S. Bach's vocal repertoire provide companies the world over with opportunities to dramatise works from the long list of Cantatas, sacred and secular and both the Passions, St. Matthew and St. John.

These works of J.S. Bach, which might be described as a unique set of musical and dramatic phenomena, appear at an ever-increasing rate in the opera houses of the world, providing music directors and stage directors with new sets of challenges.

Victorian Opera chose to perform *The Passion of Our Lord According to St. John* by J.S. Bach in an appropriately ecclesiastical venue, St. Michael's, Collins Street, Melbourne, but liturgically, anachronically.

The current musico-dramatic circumstance of the western world owes its position in great part to the ubiquitous J.S. Bach. It would be a poor company indeed which could not admit into its repertoire from time-to-time, some aspect of the Bach oeuvre. Here again, Orchestra Victoria playing as an elite chamber ensemble (one player per part) provided a powerful support to the work of the soloists and chorus.

## Metamorphosis

Australian composer Brian Howard, wrote his Kafka-based opera, *Metamorphosis*, for the Victoria State Opera in 1983. One of the original cast members, Ian Cousins, re-created his role of Mr Samsa for Victorian Opera's concert version presented in Melba Hall at the University of Melbourne in conjunction with the Australian Youth Orchestra's Camerata ensemble.

This presentation was a powerful demonstration of the current company's link to the past. The capacity audience showed its intense appreciation of the work.

The association with the Australian Youth Orchestra is one to be cherished and nurtured in a similar way to the associations with the Victorian College of the Arts and the University of Melbourne.

Victorian Opera is forging strong links with the community generally and gradually making its presence felt. The repertoire is beginning to reflect a programming philosophy which will mature in time and provide Victorian audiences (Melbourne and regional Victoria) with operatic choices no other state in Australia has.

It is now all our responsibilities to see that it grows as fruitfully and as successfully as it can providing a strong source of work for Victorian artists and artisans.

**Richard Gill**  
Music Director



Clockwise from top right:  
*Noye's Fludde*, Christopher Tonkin and Christopher Saunders in rehearsals for *Così fan tutte* with Jean-Pierre Mignon (photos by Ponch Hawkes), *Così fan tutte* (photo by Jeff Busby).



# General Manager's Report

Right: *Metamorphosis*,  
3 November 2006.  
Gary Rowley.  
Photo by Lucas Allen.



It has been an exciting opportunity to take part in the creation of a new performing arts company with such a crucial role in Victoria, and one which has entailed a deep sense of responsibility.

Within a year we have grown from two employees and no infrastructure at all, to a staff of eight, a database of 7000 and an audience of 9937 over 12 performances. While the first months of the Victorian Opera's existence entailed working from a variety of offices and rehearsal rooms around Melbourne, by December 2006 a home was secured at 'Horticultural Hall' in Victoria Street on the edge of the CBD, a beautifully restored and heritage listed building which will provide a rehearsal and recital space as well as office accommodation.

An important artistic partnership has been established with Orchestra Victoria, this State's specialist opera and ballet orchestra, and we value the opportunity to be able to plan our future seasons with their collaboration.

It has also been inspiring to take part in the creation of the Victorian Opera Chorus, a body which includes seasoned professionals as well as promising new talent. New talent has also been intensively nurtured through Victorian Youth Opera, and through the Artist Development Program,

which has given five highly talented young performers the opportunity to undertake classes in all aspects of operatic training, as well as participating in the season and having direct contact with the operations of a professional company.

My thanks go to the Victorian Opera Board who have given generously of their time and expertise in steering the fledgling company, to the artists who have made our first season a success and the small team of staff who have worked unceasingly to bring it into being, to the Victorian Government which sustains the company, and to the sponsors, patrons, foundations and audience members who will help it to grow.

A handwritten signature in black ink, appearing to read 'Anne Frankenberg'.

**Anne Frankenberg**  
General Manager



# The Company

## Victorian Opera Board of Directors

Michael Roux (Chairman)

Merlyn Quaiife  
Barry Sheehan  
Graeme Willersdorf

## Artistic Advisory Panel

Merlyn Quaiife (Chair)

Brett Adam	Margaret Haggart	Tony McNally
Brett Dean	Helga Hill	Michael Rigg
Angela Dhar	Suzanne Johnston	Richard Roberts
Kwong Lee Dow	Anne Lierse	Darien Sticklen
Richard Gill	Kerry Murphy	Peter Tregear

## Victorian Opera Staff

Music Director Richard Gill OAM

General Manager Anne Frankenberg

Development Manager Pauline Ashleigh-Marum

Finance Manager Lucy Evans

Artistic Administrator Kylie McRae

Head of Music David McSkimming

Executive Assistant & Office Administrator Leonie Cambage

Marketing Consultant & Design Agency Richard Blackman Design

Publicity Consultant Kerry O'Brien Publicity

## Season 2006 Staff

Production Managers Jane Millett, Dexter Varley

Tour Manager David Harrod

Stage Managers Annie Reid, Diana Hume, Bebe Southby

Head Mechanist Spencer Steiner

Head Technician David Membery

Wardrobe William E Roache, William de Souza,  
David A Anderson, Maruska Blyszczak

Surtitles Kirk Harmer, David Oldham

Ticketing Bebe Southby, Amy Moon

Administration Jill Quin, Molly Stacey, Deb Cumming,  
Ruth Ball, Sue Laurence, Anna Treasure

## Victorian Opera Artists 2006 Season

Directors Jean-Pierre Mignon, AM  
Talya Masel

Designers Jon Buswell, Christina Smith

Music Staff Andrea Katz, David McSkimming  
Phillipa Safey, Dean Sky-Lucas

Language Staff Nancy Calò, Wendy Grose, Mary Ryan

## Principals

Theresa Borg	James Egglestone	Manfred Pohlenz
Jacob Caine	Antoinette Halloran	Gary Rowley
Joanna Cole	Kirsti Harms	Chris Saunders
Ian Cousins	Roxane Hislop	Dean Sky-Lucas
Jacqueline Dark	Louisa Hunter-Bradley	Tiffany Speight
Matthew Davine	Rosamund Illing	Christopher Tonkin
Judith Dodsworth	Andrew Jones	

## Artist Development Program

Nicholas Carter	Samuel Dundas	Jacqueline Porter
Sarah Cole	Myllinda Joyce	

## Victorian Opera Chorus

Lee Abrahmsen	Christina Jonas	Alexander Pokryshevsky
Margaret Arnold	Andrew Jones	Dmitri Pronin
Jonathon Bam	Kevin Kelley	Robert Ratcliffe
Robert Beasley	Fiona Keys	Graeme Russell
Kerrie Bolton	Joseph Kinsela	Samantha du'Rennes
Gaetano Bonefante	Lydia Klimek	Suzanne Shakespeare
Heather Brooks	Helen Koehne	Diana Simpson
Rebecca Bywater	Jerzy Kozlowski	Garth Stewart
Joanne Carroll	Martin Lane	Kristy Swift
Gwen Casey	George Liakatos	Adrian Tamburini
Anna-Louise Cole	Yang Liu	Julie Torpy
Steven Crosby	Rebecca Long	Peter Tregear
Jacob Cunningham	Robin Luke	Emily Uhlrich
Matthew Davine	Cheryl MacDonald	Charis Vanaelst
Irving Dekterev	Oliver Mann	Beth Walkenhorst
Thomas Drent	Simon Meadows	Vanessa West
Melanie Duncan	Maxine Montgomery	Brendon Wickham
Donna-Maree Dunlop	Lynore McWhirter	Lynlee Williams
Susannah Foulds-Elliott	Rose Nolan	Julian Wilson
Angus Grant	Jessica O'Bryan	Cecily Woodberry
Martha George	Bryan O'Connell	Emily Xiao Wang
Adrian Hall	Daniel O'Connell	Ying Xu
Mark Henderson	Jane O'Toole	
Marilla Homes	Belinda Paterson	

## Victorian Youth Opera

Conductor Nicholas Carter

Director Naomi Edwards

Designers Katherine Branch, Mel Page, Lisa Mibus

## Victorian Youth Opera Singers

Stacey Alleaume	Brodie Derrick	Branavie Ranjithakumaran
Kate Amos	Ella Doheny	Nita Rao
Eva Anagnostou	Monique Donato	Rebecca Rashleigh
Monica Arundell	Alexandra Elliott	India Read
Leonie Axford	James Emerson	Amy Reid
Nicola Axford	Kim Falconer	Helena Ring
Kate Base	Iris Ferwerda	Aiyana Roberts
Jessica Bates	Janneke Ferwerda	Emma Roberts
Oliver Bell	Rachael Findlay	Nicholas Saxton
Mariella Berry	Charlotte Fox	Steven Saxton
Kaila Bianco	Eamonn George	Anna Schneider
Alice Boer-Endacott	Sonia Harper	Bryony Seignior
Ilona Boyd	Alexandra Harrison	Anne Simmons
Brigitte Bozyk	Susan Henry	Nicola Simmons
Samuel Briggs	Sian Humber	Amber Skewes
Nathan Camilleri	Tara Iacovou	Edward Smith
Hannah Campbell	Meghan Jenkins	Antony Talia
Grace Canning	Olivia King	Chervil Tan
Tessa Canning	Ally Larielle	James Tate
Nicole Car	Jared Larielle	Emily Thomson
Mark Casey	Sam Larielle	Daniel Todd
Matthew Casey	Jarrod Lester	Janet Todd
Jay Chivers	Deirdre Mair	Leighton Triplow
Andrea Christodoulou	Penelope Mason	Jake Weatherson
Hilary Cole	Emily McDonell	Danica Wild
Jessica Condon	Isobel McNamara	Tiahna Wild
Marina Connelly	Kirsten Moore	Laura Wilson
Leon Connor	Giulia Paris	Raphael Wong
Anna Constantine	Elizabeth Park	Raoul Zambelli
Alastair Cooper-Golec	Aleksis Payne	Sarah Zeleznikow
Thomas Craggs	Hannah Pelka-Caven	
Olivia Cranwell	Siobhan Perkins	
Samuel Dariol	Elly Petroulias	
Joel Davies	Ashleigh Psaila	

# Patrons

Victorian Opera acknowledges with great appreciation the gifts and pledges it has received from the following donors:

## Patron-in-Chief

Professor David de Kretser, AC,  
Governor of Victoria

## Founding Patrons

Dame Elisabeth Murdoch, AC DBE  
Lady Potter, AC

## Founding Ambassadors

(\$10,000 to \$20,000)  
Lady Hamer  
Hans & Petra Henkell  
John Karkar

## Platinum Patrons

(\$5,000 to \$9,999)  
Betty Amsden, OAM  
William J Forrest AM  
Michael & Veronica Roux

## Gold Patrons

(\$2,500 to \$4,999)  
Isla Baring  
Beth Brown & Tom Bruce, AM  
Professor Margaret Gardner & Professor Glyn Davis, AC  
Jerry & Anne Ellis  
Peter Griffin  
Colin Lovitt, QC  
Phillip & Sue Schudmak  
Dr Christopher Selby-Smith  
Barry Sheehan

## Silver Patrons

(\$1,000 to \$2,499)  
Laurie Bebbington & Elizabeth O'Keefe  
Peter Bobeff  
Jeffrey Browne  
Jasmine Brunner  
Mary & Frederick Davidson  
Auret Flower  
Stuart Jennings  
Nance Grant MBE & Ian Harris  
Isabella & Richard Green  
Dr George Lefroy & Joan Lefroy  
Dr Anne Lierse  
Hugh Morgan  
Dr Kenneth Muirden  
Dr Gill Palmer  
Merlyn Quaife  
Hugh Rogers AM  
Elżbieta & Tomasz Romanowski  
Mary Ryan  
Graeme Samuel  
Peter & Christine Smedley  
David J Smith  
Caroline Vaillant  
Catherine Walter  
Earl & Countess of Wilton  
Dr Elizabeth Xipell  
Peter Yates  
Anonymous (1)

## Supporters

(\$50 to \$999)  
Frank & Valma Allaway  
Adrian Barrett  
Jeffrey Busby & Louise Bradley  
Nancye Cain  
Suzanne E Davies  
Richard Gill, OAM  
Fiona Glover  
Susan Harley  
Margaret & Ian Herdman  
Peter Holloway & Ken Falconer  
Margaret Ironside  
Alan Maranville  
Weston Moorhouse  
Gill Robert  
Barbara Rounsevell  
Franz Sauter  
Lisabeth Shanahan  
Janet & John Stanley  
Barbara Sturmfels  
Leslie Thurgood

The Victorian Opera Company Fund is a tax deductible fund listed on the Register of Cultural Organisations under sub-division 30-B, section 30-100 of the Income Tax Assessment Act 1997. All donations to the Victorian Opera Fund over \$2.00 are tax deductible.

Support from individuals is essential to develop our artistic excellence and secure the future of Victorian Opera. For more information on how you might become a Patron, join our Private Giving program with a Major Gift, or make a Bequest, please contact Pauline Ashleigh-Marum, Development Manager, on 9001 6405 or email us at [development@victorianopera.com.au](mailto:development@victorianopera.com.au)

# Partners

## Government Partner



## University Partner



## Foundation Partner



## Performance Partners



## Media Partner



## Online Partner



## Special Event Partners



## Business Services Partner





Left: *Così fan tutte*,  
19-26 August 2006.  
Antoinette Halloran  
and Tiffany Speight.  
Photo by Jeff Busby.

# Director's Report

Your directors submit their report for the period ended 31 December 2006.

## Directors

The names of the Directors in office during the financial year and until the date of this report are as follows.

Directors were in office for the entire period unless otherwise stated.

Name	Qualifications & Special Areas of Interest	Appointed
Michael Roux	B.Ec (Hons) (Monash), MSIA, FAICD.	October 2005
R.Graeme Willersdorf	B.Eng.(Civil) (Melb) Chair of the Audit Committee	October 2005
Barry Sheehan	B.Com, B.Ed (Melb), MA, PhD (Lon), FACE.	October 2005
Merlyn Quaife	BA, Dip Ed, AMusA. Chair of the Artistic Advisory Committee	October 2005

## Nature of Operations and Principal Activities

The principal activity during the period was:

To bring professional opera of the highest possible standard to audiences in Melbourne and regional Victoria.

## Review and Results of Operations

During the year the company made an operating profit after income tax of \$979,891.

## Government Funding Arrangements

Funding for the year ended 31 December 2006 comprises funding from the State Government of Victoria through Arts Victoria, University of Melbourne and the Robert Salzer Foundation.

## State of Affairs

This is the Victorian Opera Company Ltd's first period of operation – it involved recruiting core staff, finding a permanent office location, establishing administrative infrastructure and producing an Opera performance season.

## Financial Period

The Financial year represents the period from 6 October 2005 (date of incorporation) to 31 December 2006. From the 1 Jan 2007, the financial year shall represent a 12 month period to 31 December 2007.





Left: *Noye's Fludde*  
30 June 1, 2 July 2006.  
Photo by Lucas Allen.

# Director's Report

## Environmental Regulation

The company's operations are not subject to any significant environmental regulations under Commonwealth or State legislation.

## Significant Events After The Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

## Likely Developments

The company will continue to present performances of opera during the next financial year. The company's continuing success is dependent on increasing its current level of government funding, philanthropic funding, sponsorship and box office income.

## Indemnification of Officers

Since the beginning of the financial year, the Company has not indemnified nor made a relevant agreement for indemnifying against a liability of any person who is or has been an officer or auditor of the Company.

## Insurance of Officers

The Company has paid premiums for the year ended 31 December 2006, in respect of Directors' and Officers' liability, legal expenses and insurance contracts. Since the end of the period, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ended 31 December 2007. Such insurance contracts insure persons who are or have been directors or officers of the company against certain liabilities (subject to certain exclusions).

Signed in accordance with a resolution of the directors.

**Michael Roux**  
Director

Signed at Melbourne this 8th day of March 2007.

# Annual Financial Report

## Income Statement

For the period ended 31 December 2006

	Notes	2006 \$
<b>Revenues from Ordinary Activities</b>		
Funding Revenue	2	2,625,000
Box Office Revenue and Performance fees	3	348,345
Sponsorship and donation revenue	4	164,525
Other Income	5	7,096
		<b>3,144,965</b>
<b>Expenses from Operating Activities</b>		
Wages and Salaries	6	1,093,715
Marketing and development expenses		377,825
Production expenses		470,578
Administration expenses		222,956
<b>Total Expenses</b>		<b>2,165,074</b>
<b>Profit/(Loss) for the Period</b>		<b>979,891</b>

## Balance Sheet

As at 31 December 2006

	Notes	2006 \$		Notes	2006 \$
<b>Current Assets</b>			<b>Current Liabilities</b>		
Cash and cash equivalents		921,956	Payables	11	110,063
Trade and other receivables	8	55,611	Employee Benefits	12	18,303
Prepayments	9	147,851	Income in Advance	13	86,619
<b>Total Current Assets</b>		<b>1,125,417</b>	<b>Total Current Liabilities</b>		<b>214,985</b>
<b>Non-Current Assets</b>			<b>Non-Current Liabilities</b>		
Plant & equipment	10	76,000	Employee benefits	12	6,542
<b>Total Non-Current Assets</b>		<b>76,000</b>	<b>Total Non-Current Liabilities</b>		<b>6,542</b>
<b>Total Assets</b>		<b>1,201,418</b>	<b>Total Liabilities</b>		<b>221,527</b>
			<b>Net Assets</b>		<b>979,891</b>
<b>Equity</b>					
			Reserves	14	900,000
			Retained Earnings		79,891
			<b>Total Equity</b>		<b>979,891</b>

For the period ended 31 December 2006

## Statement of Cashflows

For the period ended 31 December 2006

	Notes	2006		Notes	2006
		\$			\$
<b>Cash Flows From Operating Activities</b>					
Cash receipts in the course of operations		405,355			
Cash payments in the course of operations		- 2,211,627			
Grants received from funding bodies		2,625,000			
Sponsors and donations		178,287			
Interest paid		-			
Interest received		6,405			
<b>Net Cash Flows From Operating Activities</b>	<b>15</b>	<b>1,003,420</b>			
<b>Cash Flows From Investing Activities</b>					
		<b>- 81,464</b>			
<b>Net Cash Flows From Investing Activities</b>		<b>- 81,464</b>			
<b>Net Increase In Cash Held</b>		<b>921,956</b>			
Add opening cash as at 6 October 2005		-			
<b>Closing Cash as at 31 December 2006</b>		<b>921,956</b>			
			<b>Reconciliation of cash</b>		
			For the purpose of the statement of cashflows, cash includes cash on hand and at bank and short term deposits at call.		
			Cash at the end of the year as shown in the statement of cashflows is reconciled to the related items in the Balance Sheet as follows:		
			Petty Cash		1,000
			Cheque Account		78,350
			Undeposited Funds		10
			Investment Account		752,136
			VO Trust Chq Account		-
			VO Trust Investment Account		84,935
			Salary Packaging Account		5,525
					<b>921,956</b>

### 1. Statement of Significant Accounting Policies

The Victorian Opera Company Ltd (the "Company") is a company limited by guarantee domiciled in Australia. The financial report was authorised for issue by directors on 8 March 2007.

#### (a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs"), Urgent Issues Group Interpretations ("UIGs") adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards ("AASBs") adopted by the AASB. The financial reports of the Company also comply with IFRSs and interpretations adopted by the International Accounting Standards Board.

#### (b) Basis of preparation

The financial report is presented in Australian dollars.

The financial report is prepared on the historical cost basis.

Non-current assets are stated at the lower of carrying amount and fair value less costs to sell, if applicable.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical

experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 1.

The accounting policies set out below have been applied consistently to all periods presented in the Company's financial report.

#### (c) Property, plant and equipment

##### (i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses [see accounting policy (g)].

Where parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.



# Notes to Financial Statements

For the period ended 31 December 2006

## (ii) Depreciation

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Item	Useful Life
Office Equipment	Generally 3 years, otherwise 5 years
Fixtures and fittings	10 years
Production Equipment	3 years
Leasehold Improvements	5 years

The residual value, if not insignificant, is reassessed annually.

## (d) Investments

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the income statement.

The fair value of financial instruments classified as held for trading and available-for-sale is their quoted bid price at the balance sheet date.

Financial instruments classified as held for trading or available-for-sale investments are recognised/derecognised by the Company on the date it commits to purchase/sell the investments. Securities held-to-maturity are recognised/derecognised on the day they are transferred by the Company.

## (e) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses [see accounting policy (g)].

## (f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

## (g) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated [see accounting policy (g)(i)].

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statement, unless an asset has previously been re-valued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit on a pro-rata basis.

## (i) Calculation of recoverable amount

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## (ii) Reversal of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

## (h) Employee benefits

### (i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

### (ii) Long-term service benefits

The Company's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The obligation is calculated using the expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

### (iii) Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave, time in lieu and artistic restructure that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date and including related on-costs, such as workers compensation insurance and leave loading.

## (i) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## (j) Trade and other payables

Trade and other payables are stated at cost.

## (k) Revenue

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.

### (i) Performance revenue

Performance revenue is recognised at the time of the performance.

### (ii) Funding revenue

Funding revenue comprises funding from the State Government of Victoria, the University of Melbourne, the Robert Salzer Foundation.

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the Company will comply with the conditions attaching to it. Grants that compensate the Company for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Company for the cost of an asset are recognised in the income statement as other operating income on a systematic basis over the useful life of the asset.

# Notes to Financial Statements

For the period ended 31 December 2006

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.

## (iii) Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

## (iv) Donation revenue

Donation revenue is recognised upon receipt.

## (v) Sponsorship revenue

Sponsorship revenue is recognised when due under the terms of the sponsorship agreement.

## (vi) Sale of non-current assets

The net 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 gain or loss 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 (including incidental costs).

## (l) Expenses

### (i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

### (ii) Goods and services tax

Expenses and assets are recognised net of the amount of goods and services tax (GST).

## (m) Taxation

The Company is exempt from income tax, capital gains tax, payroll tax, state debits tax and state financial institutions duty.

## (n) Comparatives

When necessary, comparative information will be reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

## (o) Financial Year

The Financial year represents the period from 6 October 2005 (date of incorporation) to 31 December 2006.

From the 1 Jan 2007, the financial year shall represent a 12 month period to 31 December 2007.

<b>2. Funding Revenue</b>	<b>2006 (\$)</b>
Revenue from funding bodies (grants)	
- Arts Victoria Annual Grant	2,325,000
- University of Melbourne	200,000
- Robert Salzer Foundation	100,000
<b>Total Funding Revenue</b>	<b>2,625,000</b>

<b>3. Box Office and Performance Income</b>	<b>2006 (\$)</b>
Box Office	323,257
Performance Fees	2,400
Program Sales	14,133
Merchandise Sales	775
Workshop Fees	7,780
<b>Total Box Office and Performance Income</b>	<b>348,345</b>

<b>4. Sponsorship and Donations Revenue</b>	<b>2006 (\$)</b>	<b>8. Receivables (Current)</b>	<b>2006 (\$)</b>
Corporate Sponsorship	26,150	Trade Debtors	26,274
Donations	68,150	Accrued Income	625
Donations received via ABAF	70,225	Other Debtors	-
<b>Total Sponsorship and Donations Revenue</b>	<b>164,525</b>	GST receivable	28,712
			<b>55,611</b>

<b>5. Other Income</b>	<b>2006 (\$)</b>	<b>9. Prepayments</b>	<b>2006 (\$)</b>
Interest received	6,405	Insurance paid in advance	3,563
Venue Hire	691	Security Bond deposits	16,953
<b>Total Other Income</b>	<b>7,096</b>	Other Prepayments	127,335
			<b>147,851</b>

<b>6. Personnel Expenses</b>	<b>2006 (\$)</b>	<b>10. Plant &amp; Equipment</b>	<b>2006 (\$)</b>
Artist Salaries	710,548	Office equipment	61,510
Administration Salaries	265,848	Accumulated depreciation	- 4,320
Oncosts - Superannuation & Workers Comensation expense	110,777	Furniture Equipment	4,434
Increase in liability for long service leave	6,542	Accumulated Depreciation	-
<b>Total Personnel Expenses</b>	<b>1,093,715</b>	Production equipment	7,941
		Accumulated depreciation	- 1,145

## 7. Auditors' Remuneration

Auditors of the company - Chaundy and Henry, receive \$8,000 consideration for the audit of the company. Other services nil (\$0).

<b>11. Payables (Current)</b>	<b>2006 (\$)</b>
Trade Creditors	15,065
Other creditors and accruals	84,636
Grants in advance	4,164
GST Payable	6,198
	<b>110,063</b>

# Notes to Financial Statements

For the period ended 31 December 2006

<b>12. Employee Benefits Liability</b>	<b>2006 (\$)</b>
Current	18,303
Noncurrent	6,542
	<b>24,845</b>

**Number of Employees  
As at 31 December 2006** **10**

Note: the number of employees varies throughout the year, as the company employs artistic and production staff on short-term contracts throughout the year. The number of staff at year end represents core staff with some casual assistance.

#### **Superannuation Plans**

The company contributes to a number of contribution employee superannuation plans.

<b>13. Income in Advance</b>	<b>2006 (\$)</b>
Subscriptions in Advance	72,857
Other income in Advance	13,762
	<b>86,619</b>

#### **14. Capital and Reserves**

	<b>General</b>	<b>Special</b>	<b>\$ Total</b>	
Balance as at 1 January 2006	-	-	-	-
Total recognised Income and Expenses		979,891	979,891	
Transfers	700,000	200,000	- 900,000	-
<b>Balance at 31 Dec 2006</b>	<b>700,000</b>	<b>200,000</b>	<b>79,891</b>	<b>979,891</b>

The General Reserve has been established in line with funding recommendations that arts organisations should have a reserve of 20% of income.

The Special Reserve has been established for the Board to deal with contingencies.

#### **15. Statement of Cash Flows**

	<b>2006 (\$)</b>
(a) Reconciliation of the operating profit after tax to the net cash flows from operations	
Operating profit after tax	979,891
Add Non-cash items	
Depreciation	5,465
	985,356

#### **Changes in assets and liabilities**

	<b>2006 (\$)</b>
(Increase) / decrease in trade receivables	- 26,899
(Increase) / decrease in prepayments & bonds	- 147,851
(Increase) / decrease in GST receivable	- 22,516
(Increase) / decrease in other assets	- 81,464
Increase / (decrease) in trade creditors	15,065
Increase / (decrease) in accruals	65,850
Increase / (decrease) in employee liabilities	24,845
Increase / (decrease) in other liabilities	18,787
Increase / (decrease) in income received in advance	90,783
<b>Net cash flow from (used in) operating activities</b>	<b>921,956</b>

#### **16. Additional Disclosures**

The registered office of Victorian Opera Company Limited is located at: 31 Victoria Street, Melbourne VIC 3000.

#### **17. Events Subsequent to Balance Date**

There has not arisen in the interval between the end of the financial year and the date of this Annual Report any item, transaction or event of a material and unusual nature likely to require amendment to or disclosure in the Annual Report of the Company.



## INDEPENDENT AUDIT REPORT

To the members of Victorian Opera Company Ltd

### Scope

#### *The financial report and directors' responsibility*

The financial report comprises the balance sheet, income statement, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Victorian Opera Company Ltd for the period ended 31<sup>st</sup> December 2006.

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

#### *Audit approach*

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

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

We performed our audit on the basis of these procedures, which included:

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

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



**Chaundy  
&Henry**

CHARTERED ACCOUNTANTS  
A.B.N. 60 175 261 428

P. W. Selkrig F.C.A.  
G. J. McCluskey F.C.A.  
D. A. Manton F.C.A.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

### Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

### Audit opinion

In our opinion, the financial report of Victorian Opera Company Ltd is in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of Victorian Opera Company Ltd at 31<sup>st</sup> December 2006 and of its performance for the period ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

Chaundy & Henry

D. A. MANTON  
Partner

Dated this 9<sup>th</sup> day of March 2007

*"Celebrating fifty years in the profession"*

32 Church Street, Abbotsford, Vic. 3067 Phone (03) 9427 7255 Fax (03) 9427 7227 Email info@chaundyandhenry.com.au  
In association with Chaundy & Henry Services Pty. Ltd.  
A.B.N. 90 605 648 024

# Director's Declaration

In accordance with a resolution of the directors of Victorian Opera Company Limited we state that:

In the opinion of the directors:

(a) the financial statements and notes of the company are in accordance with the Corporations Act 2003, including:

(i) giving a true and fair view of the company's financial position as at 31 December 2006 and of the performance for the 12 months ended on that date; and

(ii) complying with Accounting Standards and Corporations Regulations; 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.

On behalf of the Board



**Michael Roux**  
Chairman

Signed at Melbourne this 8th day of March 2007.



---

Victorian  
Opera

**Victorian Opera Company Ltd**

---

ABN 56 116 549 798

PO Box 524, Carlton South VIC 3053

Telephone: +61 3 9001 6400

[www.victorianopera.com.au](http://www.victorianopera.com.au)