Annual Report 2014
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.
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 be adaptable and responsive, constantly evolving to meet our stakeholders’ needs and expectations and realise new opportunities.

**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.
'To me the MSO is one of the most important organisations in Victoria that serves to communicate our inherited culture from generation to generation. I want the MSO to continue to perform the music of the world for the people of this city and state for many years to come. This is why I donate to the MSO and why my partner and I have nominated the MSO as a major beneficiary in our Wills.'

Laurence O’Keefe, MSO Patron and member of the Conductor’s Circle

‘The MSO is an exciting place to be! Sir Andrew is bringing the Orchestra to new heights, and two wonderful new Concertmasters will inject a vibrant and exciting energy that is certain to be truly inspiring. I feel the MSO is going from strength to strength, and I am very much looking forward to being a part of its future direction.’

Lorraine Hook, MSO First Violin

‘Congratulations to Sir Andrew Davis and MSO. I think Melbourne is fortunate to have such a wonderful orchestra.’

MSO Subscriber

‘The MSO provides the most wonderful opportunity for students to engage with the magic of a live orchestra. Our students always leave the concerts full of excitement from the experience.’

Classroom music teacher, Clifton Hill Primary School

‘The Melbourne Symphony are debutants at the Proms, but at the age of 108, Australia’s oldest orchestra actually beats all but one of London’s bands for longevity. Its pedigree was shown off under new music director Andrew Davis, who took over last year: the chemistry is clearly working.’

Neil Fisher – The Times

‘Extremely fortunate this year to work with really fantastic conductors, in particular Sir Andrew Davis, Stephen Layton and Matthew Halls… Loved doing the Doctor Who concerts … Good variety of styles of repertoire covered this year too. Thank you.’

MSO volunteer Chorus member
In 2014, Melbourne Symphony Orchestra (MSO) further consolidated its new artistic and operational directions, designed to restore the Company to a sustainable financial footing. This was a year in which we celebrated not only the MSO’s strengths, led by the momentum of Sir Andrew Davis’ second year as Chief Conductor, but also ended the year in a major key with a significantly positive financial result. For 2014, MSO achieved a surplus of almost $300,000: an encouraging figure against the original budgeted deficit of $577,000. It remains important, however, to temper this achievement with some caution and not rest on our laurels: there are always challenges to be met. MSO is indeed Melbourne’s orchestra, and one which successive generations of Melburnians have held in their hearts for more than a century. But, just as music itself knows no borders, MSO has also earned the respect of musicians and audiences on a global scale. It is therefore a vital part of our existence to maximise our cultural reach in terms not only of where we perform but what we perform. In 2014, for example, MSO played not just only Beethoven and Brahms, but the music to Lord of the Rings and a marvellous collaboration with jazz singer Diana Krall.

One of the highlights of 2014 was MSO’s European tour. Our five concerts, spread over England, Scotland, the Netherlands, Germany and Denmark, were contained within one week. But what a week it was! Melbourne belonged to the world. I was especially proud to witness the Orchestra’s triumphant debut at the BBC Proms at London’s Royal Albert Hall and its appearance at the Edinburgh International Festival. On behalf of the Board, I thank government and the host of corporate and private donors whose support ensured the tour could happen independently of our operations budget.

Another highlight of the year was MSO’s gala, held at the Melbourne Town Hall and starring the entire Orchestra, Boston Pops conductor Keith Lockhart and the dazzling Trevor Ashley and Rhonda Burchmore. The event raised over $400,000 for MSO’s education programs and I thank everyone concerned — the musicians and performers, the organisers, the volunteers, and, above all, the many loyal patrons and supporters who attended — for making the night so magnificent and memorable.

Boards, just like orchestras, are not static entities but in constant evolutionary change. In 2014, we farewelled Peter Biggs and Rohan Leppert as Directors; I thank them for their tireless work. We also welcomed Danny Gorog and David Krasnostein to the Board, and I particularly want to thank Michael Ullmer for accepting the position of Deputy Chair. I look forward to working with them in their new roles. I would like to personally acknowledge the retirement at the end of 2014 of MSO Concertmaster Wilma Smith. She was a stalwart of the Orchestra.

The vision of the Board is straightforward: to celebrate orchestral tradition; entertain and inspire audiences today; and build music’s future. Attaining this vision, however, is more complex: it represents the ceaseless and dedicated work of many people — the musicians, Directors and administration team who are responsible for making the Melbourne Symphony Orchestra a fully functioning and cohesive entity. It is an admirable group success-story of which I remain proud. At the same time, I acknowledge all those who support MSO, especially our most devoted — and sometimes most critical! — audiences. Without you, to hear and respond to what we do best, we are nothing. Thank you.

‘Two of my great passions in life are music and national unity. And there are great moments when they come together… a stirring night for Melbourne and Australia.’

Managing Director’s Report

In 2014, Melbourne Symphony Orchestra, through its various performances, workshops and school programs, played for a total of 247,670 people. This is a sizeable audience and we want it to grow. The fact that around a quarter-of-a-million individuals saw, heard and experienced MSO at first hand in 2014 is the right template to achieve continuing cultural success in 21st-century multicultural Melbourne.

2014 was a year of significant artistic achievements at home and abroad. In Sir Andrew Davis’ second season as Chief Conductor, he and MSO began to forge their Mahler cycle and undertook a brief but highly important European tour, our first international tour with the full Orchestra since 2007. My deep thanks go to all those public and private supporters who made the tour possible, including Senator George Brandis and the Attorney-General’s Department, Ministry for the Arts and the Attorney-General’s Department, Ministry for the Arts who made the tour possible, including Senator George Brandis and the Attorney-General’s Department, Ministry for the Arts.

Our 2014 result, with a surplus of almost $300,000, sets us cautiously on the road to recovery. Key factors attributed to this result included a marked 9.5 per cent improvement in revenue from ticket sales, continued growth in sponsorship and donation revenue, and a tight control on costs. Our modest financial successes in 2014 are directly related to a successful marketing and development strategy, with a particularly effective process around inventory management, an emphasis on cost-effective direct and digital communication channels and stakeholder engagement.

While encouraging, this result must be viewed in the broader perspective of MSO’s own position in the wider cultural landscape. We are an historic institution with secure and renowned artistic strengths, but we also continue to face significant financial challenges that must be tackled. We may be venerable, but we are also vulnerable – to constraints around government funding, and to an increasingly competitive philanthropic and cultural environment. We must never lose sight of the ingenuity and pragmatism it takes to achieve our goals.

It is precisely this situation, and how best to deal with it, that has led us, after extensive internal and external consultations and workshops, to prepare a long-term strategic plan. Our vision is clear: MSO will be a truly great Orchestra that evolves to inspire and engage audiences and form an essential part of Melbourne’s rich cultural fabric. In tandem with this is MSO’s core mission; to work together, with our partners and communities, to enrich people’s lives through meaningful musical experiences. Just as music itself is universal – let alone the very reason for our existence – so too must we strive to attract and maintain as wide an audience as possible. To be truly great, MSO must reflect the society to which it belongs, reaching across all age groups, cultures and relevant musical tastes. The key to our strategic plan is to enable MSO to build on its artistic strengths while optimising its overall business model through deeper engagement with audiences and community, and to ensure financial sustainability over the next five years. The implications for this strategy are clear – to honour the Orchestra’s heritage as one of our nation’s most cherished cultural institutions; maintain MSO’s fine reputation for artistic leadership and quality; and build on its existing brand strength.

Reflecting the cultural diversity of Melbourne’s community is core to MSO’s strategic vision. In 2014, MSO launched the inaugural East Meets West: Chinese New Year celebration concert, featuring a program drawn from the Chinese and classical Western repertoire. This annual event not only brings our communities together but emphasises, as only music can, the respected and expanding cultural relationship between Australia and China.

Through our extensive youth and education programs, MSO reached over 17,500 participants including students, teachers and members of Melbourne’s community. The department provided participants with almost 18,500 contact hours through outreach workshops and incursions alone. Connecting with Melbourne’s Indigenous heritage through Education Week’s 2014 Meet the Orchestra program, this National Reconciliation Week event included a collaboration with young Aboriginal musician and dancer Eric Avery/Marrawuy Kabl and more than 5,000 Victorian children. Together, they prepared Yananha to perform with the Orchestra.

While it is paramount to maintain a strong focus on our core business, it is vital to pursue commercial collaborations in order to develop our artists, grow our revenue and create new opportunities for audience engagement. In 2014, highlights of these included Diana Krall (Live Nation), the Dorcas McClean Travelling Scholarship for Violinists (Melbourne University), Mihalis Hatzigiannis (Melbourne International Festival), and Here Comes the Night: Songs from the Van Morrison Songbook (Beatroot Services).

Among several key management moves, we included for the first time a dedicated Human Resources component which in 2014 focused on organisational processes, performance management and staff engagement. We also welcomed our new Director of Marketing, Alice Wilkinson, and Director of Development, Leith Brooke — who have already been responsible for positive changes in their respective departments. Our vital shift in marketing strategy has seen a greater concentration on audience access and engagement,
and our media profile has grown exponentially, up almost 50% year on year to $13.3 million in media exposure. Furthering our commitment that MSO performances are for all age groups, we have ensured ticket concessions apply across all reserves, so there is greater freedom of access for everyone from students to seasoned subscribers. Our new strategic focus on building niche platforms for patrons such as the Mahler Cycle Syndicate, a record-breaking result for the annual Gala, and concentration on building MSO’s corporate sponsorship base delivered a strong result for development.

The year also saw some important artistic transitions. In early September, we farewelled Director of Artistic Planning Huw Humphreys, who left MSO after eight years to join the Barbican in London as Head of Music. I would like to pay tribute to Huw’s tireless and productive time with us. At the same time, I welcome his successor, Ronald Vermeulen, who comes to us from the Bergen Philharmonic Orchestra, Norway. Ronald’s creativity and collaborative approach to programming is a perfect fit for MSO.

In November, the Orchestra’s Concertmaster Wilma Smith retired after 11 years and almost 500 concerts with MSO. Wilma’s natural charm and thorough professionalism will be missed by everyone connected with the Orchestra. But MSO plays on, led by our new Concertmasters Dale Barltrop and Eoin Andersen, whom we welcomed at the end of the year.

In terms of support, MSO remains grateful to all levels of government. In 2014, their collective contributions comprised more than 40 per cent of our revenue, making them our largest stakeholder. In particular, we acknowledge support from the Australia Council for the Arts, Creative Victoria (formerly Arts Victoria), the State Government of Victoria through the Ministry for Creative Industries (formerly Ministry for the Arts) and the City of Melbourne.

MSO is also grateful to our wonderful corporate and private supporters. Our Principal Partner, Emirates, remains an essential source of corporate funding, while our legion of philanthropic benefactors continue to prove how we would be much the poorer without their generosity and involvement.

Two things have continued to impress me since coming to Melbourne in 2012: the extraordinary quality of MSO’s performances and the sophistication of its audiences, who can deal as adroitly with Beethoven and Mozart as they can with Dean or Ives. I recall in particular the audience reaction after the Orchestra’s vivid performances in 2014 of Mahler’s 2nd Symphony, under Chief Conductor Sir Andrew Davis, and Smetana’s Má Vlast, under Jakub Hrůša. The long and thoroughly deserved acclamations reaffirmed for me the fundamental reason why I work in music: what we do genuinely makes a difference in people’s lives. The striving for excellence and encouragement can, and will, never cease.

André Gremillet
Managing Director

MSO INCOME BY SOURCE

<table>
<thead>
<tr>
<th>Source</th>
<th>2014 (%)</th>
<th>2013 (%)</th>
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<tbody>
<tr>
<td>Private Giving</td>
<td>18</td>
<td>15</td>
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<tr>
<td>Commercial Hire</td>
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<tr>
<td>Government – State &amp; Federal</td>
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<td>47</td>
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<td>Other</td>
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<tr>
<td>Ticket Sales</td>
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Left: John Arcaro, Percussion
MSO Performance Footprint

1. London, England
   BBC Proms, Royal Albert Hall

2. Scotland
   Edinburgh International Festival, Usher Hall

3. Amsterdam, Netherlands
   Concertgebouw Robeco Summer Music Series

4. Ulrichshusen, Germany
   Mecklenburg-Vorpommern Festival

5. Copenhagen, Denmark
   Tivoli Concert Hall

1. Fujian Province of China
   Gulangyu Chamber Music Festival
   Gulangyu Concert Hall
**Australian works performed**: 39

**Regional tours**: 2

**International tours**: 2

**Total productions**: 85

**Total performances**: 175

**Total audience**: 247,670

**VICTORIA**

1. Melbourne City
2. Clayton
3. Frankston
4. Windsor (Astor Event)
5. Collingwood (Muso at Slopesh Gallery)
6. St Kilda (Muso)
7. Geelong
8. Bendigo
9. Hamilton
10. Wangaratta
11. Warrnambool
12. Warragul
13. Ardeer*
14. Fawkner*
15. Fitzroy*
16. Hampton Park*
17. Cranbourne North*
18. Dandenong*
19. St Albans*
20. Thomasstown*
21. Glenroy*
22. Deer Park*
23. Dandenong South*
24. Springvale South*
25. Noble Park*
26. Frankston North*
27. Newcomb*
28. Broadmeadows (The Pizzicato Effect)
29. Reservoir*
30. Laverton*
31. Kyabram*
32. Mooroolbark*
33. East Gippsland*

*(School Workshop)*
## Key Performance Indicators

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<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
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<td><strong>Total audience (all performances including education)</strong></td>
<td>247,670</td>
<td>238,146</td>
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<tr>
<td>Number of performances</td>
<td>175</td>
<td>171</td>
<td>162</td>
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<tr>
<td>Total attendance (paid)</td>
<td>195,796</td>
<td>171,655</td>
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<td>Total attendance (unpaid)</td>
<td>51,901</td>
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<td>Free outdoor performances</td>
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<td>4</td>
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<tr>
<td>Free outdoor attendance</td>
<td>23,200</td>
<td>35,606</td>
<td>35,813</td>
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<td>Regional performances</td>
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<td>20</td>
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<td>Regional attendance</td>
<td>8,899</td>
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<td>12,812</td>
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<td>International performances</td>
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<td>International attendance</td>
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<td>Artistic collaborations (all organisations &amp; MSO)</td>
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<td>29</td>
<td>25</td>
<td>16</td>
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<tr>
<td>Australian Works: Total performed</td>
<td>39</td>
<td>26</td>
<td>34</td>
<td>39</td>
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<td>New works (Commissioned by MSO)</td>
<td>8</td>
<td>10</td>
<td>7</td>
<td>8</td>
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<tr>
<td>Premieres (total Australian premieres of Australian works)</td>
<td>13</td>
<td>15</td>
<td>12</td>
<td>18</td>
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<tr>
<td><strong>International Works</strong></td>
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<td>New works (Commissioned by MSO)</td>
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<td>2</td>
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<tr>
<td>Premieres (total Australian premieres of international works)</td>
<td>23</td>
<td>14</td>
<td>10</td>
<td>10</td>
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<tr>
<td><strong>Education &amp; Community Engagement</strong></td>
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<tr>
<td>Total youth and education participation (under 18)</td>
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<td>*</td>
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<tr>
<td>School concerts</td>
<td>28</td>
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<td>*</td>
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<tr>
<td>School concert attendances</td>
<td>11,198</td>
<td>19,994</td>
<td>15,530</td>
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<td>Outreach workshops and incursions (participants)</td>
<td>3,855</td>
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<tr>
<td>Outreach workshops and incursions (contact hours)</td>
<td>18,465</td>
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<td><strong>Recordings</strong></td>
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<td><strong>Broadcasts</strong></td>
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<td>Broadcast audience</td>
<td>33</td>
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<td>30</td>
<td>43</td>
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<td><strong>Orchestral Hires</strong></td>
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<td>4</td>
<td>4</td>
<td>7</td>
<td>1</td>
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*New metric in 2014

Right: Melbourne Symphony Orchestra at Melbourne Town Hall
Playing Bach.

Jacques Loussier Trio

ensemble or with the full orchestra whether that be in 300 years ago – were written almost they were when they...

Refreshing and Concertos. Brandenburg always been very mathematician in me, but I have...

Perhaps it is the mathematician in me, but I have always been very fond of JS Bach’s Brandenburg Concertos. Refreshing and uplifting, they are as relevant today as they were when they were written almost 300 years ago – whether that be in the full orchestra setting, in a chamber ensemble or with the Jacques Loussier Trio Playing Bach.

My favourite piece of music is Bach’s ‘Goldberg Variations’. I love it because it is such a delicate piece of genius – music which seems lighter than air.

The first piece I can remember being captivated with was Haydn’s Trumpet Concerto when I was in my early teens. Excitedly telling my mum I had to introduce her to this great piece of music, she laughed when she explained it had been the piece SHE had in fact fallen in love with at the same age. It’s a great introductory piece and now my nine year old son is captivated with it too!
than 50 years of music in concert halls, but the first one is always the most striking.

Chair, FDC
Appointed 2008

David Li
David grew up in China during the Cultural Revolution; started music training at an early age and by 15 years of age had joined an orchestra. On arrival in Australia he received an award which allowed him to take post graduate studies in Advanced Performing Arts during which time he was also working for major orchestras in Victoria. 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.

Member, CGRC, FDC
Appointed 2013

David enjoys classical music, collecting artworks and his most favourite music composition is Tchaikovsky violin concerto which is one of the most important works for the instrument in the history of Romantic music.

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, Auckalnd 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.

Staff-elected Director, CGRC
Appointed 2009

—

Ann Copland’s Appalachian Spring is nominally about Pennsylvania, but for me it has always spoken in the most personal way of my home country in North-East Victoria. I couldn’t live without it.

Ann Peacock
Ann Peacock is General Manager of Corporate and Public Relations at Crown. Ann is the face and voice of Crown, both to the public and to the business people of Melbourne. Ann continues to raise the profile of Crown as the entertainment venue of choice and is Chairperson of the Crown Charity and Sponsorship Committee.

—

Member, FDC
Appointed 2007

As a young girl learning piano and trying so hard to find the patience whilst playing Beethoven’s Moonlight Sonata, my teacher would occasionally tap my hands with a ruler when I got caught up in the emotion of the piece and went too fast – this piece encourages my true love of classical music, particularly the piano and continues to test my patience!

Kee Wong
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.

Currently Chairman of the Board of the Australian Information Industry association (AIIA), Deputy Chairman of Asialink, a member of the Board of Directors of Australian Services Roundtable (ASR), the Foundation Board of Monash University’s Faculty of Engineering & IT and the National Gallery of Victoria (NGV), Kee is also a member of the Council of Victoria University and an Advisory Board member of the Australia-Malaysia Institute.

Chair, GNC
Member, CGRC
Appointed 2007

Oliver Carton
Company Secretary

Oliver Carton is a director of Lennox Group, which offers consulting services to corporate entities. In over 25 years as a lawyer, Oliver has worked for law firms, the accountancy firm KPMG and ASIC. He has wide ranging practical legal experience in areas of governance, director and shareholder meetings, compliance, IPOs and other capital raisings. He now consults to and is a Board member of a number of listed, unlisted and not for profit entities.

Member, GNC, FRC
Appointed 2004

—

Tchaikovsky’s 1812 Overture always does it for me. Great passion, historical resonance, and of course the big ending. See it at the Bowl with accompanying fireworks if possible!

MSO Sub Committees
GNC = Governance & Nominations Committee
FDC = Foundation & Development Committee
FRC = Finance & Revenue Committee
CGRC = Community & Government Relations Committee

Vilja, from the Merry Widow was the first piece of classical music I had seen in a theatre having arrived from Stawell – a small country town in Victoria, aged 17. I used half of one week’s wages to buy one seat in the ‘Gods’. I still remember the Great Australian singer June Bronhill. I’ve seen more than 50 years of music in concert halls, but the first one is always the most striking. Harold Mitchell AC
Artistic Year in Review

**Mahler 1: The Cycle Begins**
24, 25, 26 July

**Mahler 2: Resurrection**
13, 14, 15 November

**European Tour**
19–25 August

**Inaugural East meets West: Chinese New Year Celebration**
7 February

**Meet the Orchestra’s Yananha**
29 May

**Gala Symphony Banquet**
29 October

**Nicola Benedetti meets our Pizzicato Effect students**
10 September

**Ben Folds Live with MSO**
19, 20 December

**MSO Chorus: Rachmaninov Vespers**
31 October

**MSO at The Astor Theatre: Launching a season of cult classics**
14 October
Chief Conductor’s Report

The 2014 season, my second as Chief Conductor of the Melbourne Symphony Orchestra, overwhelmingly proved that artistically we’re in a very good place. I am delighted with the way things are going, and our relationship just gets better and better.

The good thing about working with an Orchestra like the MSO is that, as time goes by, one hopes one will have to talk less! There’s a fine feeling of having a common way of making music: the same goals in your mind and your ears. The Orchestra is full of wonderful stars, and I am delighted with how it is sounding. What pleases me most is how the string sound has developed — with a warmth and a depth to the playing; even the softest pianissimo is beautifully expressive.

Our 2014 season was very satisfying, particularly the European tour in August. Without exception, the concerts were terrific. But there is an important residual factor, too. I always have a feeling after a tour that an orchestra has stepped up to the next plateau. Playing somewhere new is a completely different experience, meaning having to adjust quickly to a new acoustic and, indeed, performing before a new audience. In the case of the MSO post-tour, I found a greater cohesiveness in the sense of the Orchestra’s collective personality.

At the end of 2014, an era of orchestral leadership ended with the retirement of our Concertmaster, Wilma Smith. I wish to pay tribute to her tremendous personal and technical skills, and how, over the years, she gave the Orchestra such solid foundation. I remember, in particular, how beautifully Wilma played the solo violin in Richard Strauss’ Four Last Songs, which I conducted in my very first concerts with MSO in 2009. Our new Concertmasters, Dale Bartrop and Eoin Andersen, are both excellent, and I welcome them wholeheartedly to the MSO family.

I would especially like to thank my two colleagues, Principal Guest Conductor Diego Matheuz and Associate Conductor Benjamin Northey, for their sterling and dedicated work with the Orchestra. In addition, I would like to thank our audiences. I know from the comments I occasionally hear as they leave the hall, that they are certainly enthusiastic and never afraid to venture an opinion. They are what we’re here for: to reproduce great music for as big an audience as we can.

Sir Andrew Davis CBE
In 2014, the artistic reach of MSO extended not just beyond the concert platform but, indeed, beyond Australia’s borders. As always, the Orchestra maintained its historic commitment to being part of the cultural landscape in Melbourne, forever enriching the life of this city and its audiences. The year saw us continuing to play a vital role in reaching the wider community and younger generations: the musicians and audiences of tomorrow.

We must, on occasion, look further afield. An indelible part of MSO’s artistic life has always been touring. It is, as our Chief Conductor Sir Andrew Davis has said, one of the most vital aspects of any orchestra’s existence. So it proved with the MSO’s triumphant tour, in late August, of five European festivals.

In a single week, the Orchestra made its debuts at the BBC Proms and the Edinburgh International Festival; the latter concert included the performance of Percy Grainger’s The Warriors. MSO then performed at another fabled European venue, the Royal Concertgebouw in Amsterdam, and at the Festspiele Mecklenburg-Vorpommern in Northern Germany. The final concert of the tour, in Copenhagen’s Tivoli Concert Hall was attended by Crown Princess Mary of Denmark.

Music journalist Michael Shmith, who travelled with the Orchestra, wrote in The Age of the significant cultural rewards gained from the performances: ‘In my view, the concerts simply got better and better. At the same time, the bond between the Orchestra and Sir Andrew became stronger and stronger.’

Earlier in the year, in March, musicians from MSO gave five performances at the Gulangyu Chamber Music Festival in China. This series of events further strengthened the Orchestra’s significant relationship with Asia, and China in particular.

Just as crucial is MSO’s traditional bond with its home state. Regional touring has always been a vital part of the Orchestra’s calendar and we continue to pursue the funding to ensure we can perform in as many centres as possible. In 2014, the Orchestra’s Geelong series continued with five concerts, as well as the Bold as Brass tour in October to Warrnambool, Hamilton and Wangaratta. In addition, the Orchestra also performed in Frankston and West Gippsland.

Just as MSO enjoyed considerable international and regional successes in 2014, our Melbourne year yielded just as fruitful results. Certainly, the Orchestra’s relationship with its Chief Conductor was strengthened with some fine and memorable performances of some large and challenging repertoire. This included the commencement of a multi-year Mahler symphonic cycle, with the first two symphonies, Elgar’s Symphony No.1 and Brahms’ Piano Concerto No.2 with the mighty Yefim Bronfman. Sir Andrew’s concerts featured some remarkable soloists, including pianist Emanuel Ax, who also performed solo and chamber works with members of the Orchestra in the Soloist’s Choice series, and soprano Erin Wall and cellist Truls Mørk, who both joined the Orchestra for the European Tour.

Other conductors who appeared with MSO during the year included: Mark Wigglesworth, who conducted a memorable performance of Rachmaninov’s Symphony No.2; Olari Elts, who conducted works by his Estonian compatriot, Arvo Pärt, and Beethoven; Australian violinist and conductor Richard Tognetti; Finnish maestro Osmo Vänskä; and Jakub Hrůša, who conducted heartfelt and highly successful performances of Smetana’s patriotic orchestral cycle, Ma Vlast.

Other soloists included violinists Nicola Benedetti, making her MSO debut; Frank Peter Zimmermann, playing the Sibelius Violin Concerto; and James Ehnes, who played violin and viola in two works by Berlioz — Harold in Italy and the Rêverie et Caprice for Violin and Orchestra. Pianists included the return of Australian-born virtuoso Piers Lane, who played Beethoven’s Piano Concerto No.3; Joyce Yang, with her energetic Rhapsody on a Theme of Paganini; and the Australian debut of Israeli pianist Saleem Ashkar.

It was a rewarding season, too, for MSO Principal Guest Conductor, Diego Matheuz, who has clearly won the respect and affection of audiences. He began the year well, with sold-out performances of Beethoven’s Symphony No.5 and works by Shostakovich and Rachmaninov at Hamer Hall and Costa Hall, Geelong. Matheuz also participated in MSO’s early-education project, The Pizzicato Effect, and conducted an orchestral workshop at the Australian National Academy of Music.

MSO Associate Conductor Benjamin Northey, displayed his remarkable versatility throughout 2014. In addition to conducting core classical repertoire at Hamer Hall and performances in Warragul and Frankston, and performances with James Morrison, Teddy Tahu Rhodes and Marina Prior as part of the MSO Pops Series, he also conducted performances as part of the Town Hall Prom series. Northey and the Orchestra also participated in the finals of the Dorcas McLean Travelling Scholarship for Violinists, and accompanied the acclaimed Greek Cypriot singer Mihalis Hatzigiannis in his Melbourne Festival concert at Sidney Myer Music Bowl.

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**MSO COLLABORATIONS**

Developing the artform through artistic partnerships and collaborations

<table>
<thead>
<tr>
<th>Event</th>
<th>Hirer</th>
<th>Venue</th>
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<tbody>
<tr>
<td>Dorcas McClean Travelling Scholarship for Violinists</td>
<td>University of Melbourne</td>
<td>MRC</td>
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<tr>
<td>Doctor Who Symphonic Spectacular</td>
<td>BBC Worldwide</td>
<td>MCEC</td>
</tr>
<tr>
<td>Jeff Mills: Light from the Outside World</td>
<td>Melbourne Festival</td>
<td>Hamer Hall</td>
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<tr>
<td>Metropolis New Music Festival</td>
<td>Melbourne Recital Centre</td>
<td>MRC</td>
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<tr>
<td>MSO Chorus</td>
<td>Geelong Friends</td>
<td>St. Mary’s Basilica</td>
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<tr>
<td>MSO Chorus</td>
<td>The Capital, Bendigo</td>
<td>Sacred Heart Cathedral</td>
</tr>
<tr>
<td>Sidney Myer Free Concerts</td>
<td>University of Melbourne</td>
<td>Myer Bowl</td>
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<tr>
<td>Here Comes The Night</td>
<td>Beatroot Services</td>
<td>Hamer Hall</td>
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<tr>
<td>Dianna Krall</td>
<td>Live Nation</td>
<td>Hamer Hall</td>
</tr>
<tr>
<td>Mihalis Hatzigiannis</td>
<td>Melbourne Festival</td>
<td>Myer Bowl</td>
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</tbody>
</table>

Above: Associate Conductor Benjamin Northey with the Melbourne Symphony Orchestra
ARTISTIC DEVELOPMENT

2014 was also strong in the encouragement of the upcoming generation of musicians via a host of artistic development programs.

Cybec 21st Century Australian Composers Program

This annual program, designed to mentor and commission Australian composers under 30, simultaneously enriches their minds and the repertoire. In early 2014, MSO-commissioned works by the 2013 participants — Andrew Aronowicz, Lisa Cheney, Kim Dillon and Elliott Hughes — received their world premieres at a free public performance at the Iwaki Auditorium conducted by Brett Kelly. In May, two selected works — Aronowicz’s Strange Alchemy and Cheney’s The Pool and the Star — were performed at the 2014 Metropolis New Music Festival, directed and conducted by Olli Mustonen. Thanks and appreciation extend to the Program’s mentors in 2013, Brenton Broadstock, Philip Bračanin, Julian Yu and Andranik Pefout. The program continued in 2014 with the development of four new works by the cohort of young composers, Alex Garsden, Alice Humphries, John Pax and Harry Sdraulig.

This program is made possible through the generous support of The Cybec Foundation and we thank the Foundation for its continuous commitment.

MSO Snare Drum Award

This award was established in 2004 by MSO percussionist Robert Cosson, and offers young percussionists the chance to win a one-year mentorship with the Orchestra. In 2014, eight undergraduate percussion students from Australia and New Zealand auditioned for the award, which was won by Auckland’s Sam Rich, the recipient of a hand-crafted snare drum and case. Many of the works commissioned from the MSO Snare Drum Award have become staples in the percussion repertoire.

Australian Youth Orchestra/MSO String Fellowships

Established in 2007, these fellowships are designed to provide successful candidates with intensive coaching from an MSO mentor, followed by the opportunity to audition for a casual engagement with the Orchestra and possible future full-time employment. In 2014, nine fellows worked closely with MSO mentors, including Principal Second Violin Matthew Tomkins and Cellist Michelle Wood. Of these fellows, two from Victoria and two from Queensland have become casual musicians with MSO. They join more than 20 graduates of the program who have gone on to work professionally with the Orchestra.

ABC Symphony Australia Young Performers Awards

In 2014, as part of MSO’s continuing involvement with these awards, the Orchestra facilitated the Victorian preliminary auditions. After nation-wide preliminary auditions, 12 young musicians were selected for the final Solo, Chamber and Concerto rounds, held in Adelaide. Of these musicians, four were from Victoria, with oboist Andrew Kawai progressing to the final Concerto round. The 2014 Young Performer’s Award went to Sydney violinist Grace Clifford.

MSO also continued to contribute to several other artistic developments in 2014. These included the University of Melbourne Composers’ Workshop, Symphony Services Australia’s Conductor Training, the final round of the Dorcas McClean Travelling Scholarship for Violinists, and ANAM Orchestral Workshops, which were led by MSO Chief Conductor Sir Andrew Davis and Principal Guest Conductor Diego Matheuz.

In 2014, audiences, too, continued to benefit from the MSO’s Further Learning activities. These included: Free Pre-Concert Talks for all subscription concerts at Hamer Hall, Geelong; Monash and the MRC, Free Post-Concert Conversations, featuring discussions between MSO staff and guest artists; Ears Wide Open, three 80-minute musical lectures by conductor and music educator Richard Gill; and a Keys to Music concert, hosted by ABC Classic FM’s Graham Abbott, which was broadcast across the nation.

MSO produced five CD recordings in 2014. The Richard Strauss component of the European Tour repertoire was recorded in Melbourne for ABC Classics, which also released two other CDs, featuring the Orchestra in music by Thomas Adès, Paul Stanhope and Aaron Copland. The ABC Jazz label released a CD of A to Z of Jazz, a new show, developed by MSO with James Morrison. The CD won the 2015 Australian Jazz Bell Award Winner for Best Australian Traditional Jazz Album. Other 2014 releases included the Khachaturian Violin Concerto, with James Ehnes and Mark Wigglesworth; on Onyx, and the Peter McConnell’s soundtrack for Broken Age (Act I), which was nominated for the 2014 Annual Game Music Award for outstanding contribution by a musical ensemble.

All this activity, from concerts to computer games and much in between, is a constant reminder of the myriad of responsibilities MSO bears. While our public performances remain our artistic anchor, much of our most valued work takes place away from the concert platform. It is only by engaging the community at large that we can truly be part of society as a whole.
For the MSO Chorus, 2014 was as great a landmark year as it was for the Orchestra. In fact, as with MSO, the Chorus performed right across the musical spectrum — from the Doctor Who Symphonic Spectacular and Lord of the Rings: The Return of the King at the start of the season, to, later in the year, Bach’s B Minor Mass, conducted by Stephen Layton, and an a capella tour of Rachmaninov’s Vespers, in St Patrick’s Cathedral in Melbourne, Sacred Heart Cathedral in Bendigo, and St Mary’s Basilica in Geelong. In between, came other challenges, including Mahler’s Resurrection Symphony, singing at the Dawn Service on Anzac Day, and the traditional end-of-season performances of Handel’s Messiah.

### 2014 MSO CHORUS CONCERTS

<table>
<thead>
<tr>
<th>Event</th>
<th>Conductor</th>
<th>Artists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Who – Symphonic Spectacular</td>
<td>Ben Foster</td>
<td></td>
</tr>
<tr>
<td>Werribee Mansion – Song To The Moon</td>
<td>Jonathan Grieves-Smith</td>
<td>National Boys Choir, MSO Chorus</td>
</tr>
<tr>
<td>Lord of the Rings – The Return of the King</td>
<td>Ludwig Wicki</td>
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<tr>
<td>Comedy Festival Gala!</td>
<td>Jonathan Grieves-Smith / Tripod</td>
<td>Eddie Perfect, Tripod &amp; MSO Chorus</td>
</tr>
<tr>
<td>BORODIN Polovtsian Dances</td>
<td>Diego Matheuz</td>
<td>Joyce Yang (Piano), MSO Chorus</td>
</tr>
<tr>
<td>Anzac Day Commemoration Service</td>
<td>Cassandra Mohapp</td>
<td>Army Band, Men of the MSO Chorus</td>
</tr>
<tr>
<td>IVES Orchestral Set No. 2</td>
<td>Sir Andrew Davis</td>
<td>Emmanuel Ax (Piano), MSO Chorus</td>
</tr>
<tr>
<td>BACH Mass in B Minor</td>
<td>Stephen Layton</td>
<td>Siobhan Stagg (Soprano), Christopher Lowrey (Counter-Tenor), Nicholas Mulroy (Tenor), Derek Welton (Bass-Baritone), MSO Chorus</td>
</tr>
<tr>
<td>SAMRF Ball (Crown) – Mark Vincent</td>
<td></td>
<td>Mark Vincent</td>
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<tr>
<td>RACHMANINOV Vespers: A Cappella Tour</td>
<td>Jonathan Grieves-Smith</td>
<td>MSO Chorus</td>
</tr>
<tr>
<td>MAHLER Symphony No. 2 in C minor</td>
<td>Sir Andrew Davis</td>
<td>Erin Wall (Soprano), Catherine Wyn-Rogers (Mezzo), MSO Chorus</td>
</tr>
<tr>
<td>Pop-up Performance: HANDEL Hallelujah Chorus from Messiah</td>
<td>Jonathan Grieves-Smith</td>
<td>MSO Chorus</td>
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<tr>
<td>Messiah</td>
<td>Matthew Halls</td>
<td>Siobhan Stagg (Soprano), Christopher Field (Counter-Tenor), Andrew Kennedy (Tenor), Christopher Purves (Bass Baritone), MSO Chorus</td>
</tr>
</tbody>
</table>

Right: Rachmaninov Vespers: A Cappella Tour; St Patricks Cathedral, 31 October 2014
Internal Reviews

As part of MSO’s ongoing internal review and self-assessment, a number of sub-committees have been developed. These include:

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
- Commercial projects
- Recording projects
- Annual repertoire and season plans
- Future artistic leadership issues

Significant findings of this committee are reported to the Board.

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. Additionally, each member of the MSO Chorus is surveyed in writing about a number of issues, including artistic preparation, breadth of repertoire, reaction to individual conductors and overall workload of the MSO Chorus. Based on the 2014 results from this survey, singer satisfaction was 93%.

MSO Consultative Committee – consists of members of the Players’ Committee (including the Players’ Executive) plus management representatives. The committee’s role includes the discussion of the day-to-day operation of the MSO in relation to the Musicians’ Agreement and endorsing forward rosters and amendments.

MSO Players’ Committee – including the Players’ Executive, meets on a regular basis along with the Director of Operations. Members of the Committee are elected on an annual basis by all Orchestra members.

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, Personnel Manager and Chorus Coordinator. The Committee monitors standards of occupational health, safety and rehabilitation and to initiate plans and procedures with a view to minimising the effects of workplace hazards.

On matters relating to Education and Community Engagement, the management team receives advice from industry experts on a periodic basis whose feedback is reported back to the MSO Board.

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. More than 70% of its main stage concerts had published reviews in 2014. 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 and e-mails, feedback 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, MSO is able to obtain artists’ feedback about the performance of the Orchestra, and benchmark it against other orchestras with which the artist had performed.

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.

In 2014, five focus groups – three for existing Patrons and two for young philanthropists outside the organisation’s donor circle were conducted by MSO Development in order to gain meaningful insights into Donor engagement.

MSO Education and Community Engagement programs seek 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 concerts, and from program participants attending the Orchestra’s community outreach activities.
Artistic Survey Results

In 2014, MSO continued its annual self-assessment process through its Peer Review Panel. This panel includes members of Melbourne’s arts community, including journalists, music educators, performers and arts administrators. Former members of the Orchestra are also included in this group, as well as a new group of younger reviewers (under 35 years of age).

In 2014, seven panel members reviewed 56 MSO concerts across the stable of Master Series, Great Classics, Town Hall Proms, Monash, Geelong, Melbourne Recital Centre, Pops and Metropolis performances. Confidential feedback is received and tabled. This information is presented to the Director of Artistic Planning for feedback and review. 2014 results are included below.

<table>
<thead>
<tr>
<th></th>
<th>Enjoyment</th>
<th>Conductor’s Performance</th>
<th>Soloist Performance</th>
<th>Orchestra’s Performance</th>
<th>Presentation</th>
<th>Programming</th>
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<tr>
<td>MASTERS SERIES</td>
<td>91%</td>
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<td>98%</td>
<td>94%</td>
<td>90%</td>
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<td>85%</td>
<td>94%</td>
<td>91%</td>
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<td>MONASH</td>
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<td>GEELONG</td>
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<td>MELBOURNE RECITAL CENTRE</td>
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<td>83%</td>
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<td>POPS</td>
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<td>80%</td>
<td>94%</td>
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<tr>
<td>METROPOLIS</td>
<td>88%</td>
<td>85%</td>
<td>90%</td>
<td>91%</td>
<td>89%</td>
<td>96%</td>
</tr>
</tbody>
</table>

Average percentage of positive peer review assessments across all MSO series in 2014: **89%**
MSO AUDIENCE ENGAGEMENT: SOMETHING FOR EVERYONE

CHILD
- Learn a musical instrument
- Attend Classic Kids or Family Classic Kids with a parent or grandparent

FAMILIES
- Download the MSO Learn app
- Participate in Family Jams or Jams for Juniors
- Attend the annual free Sidney Myer Music Bowl concerts
- Buy tickets for MSO at the Movies
- Listen to ABC FM broadcasts

SENIORS
- Access tickets at concession prices
- Attend free pre and post-concert talks
- Become a donor, receive quarterly Full Score newsletters and attend open rehearsals and donor events
- Join a special interest group such as the Mahler Cycle Syndicate
- Make a bequest and support MSO’s future

ADULT
- Join the MUSO community as an 18 – 35 year old
- Participate in Symphony in a Day
- Attend Secret Symphony concerts
- Buy single tickets to classical concerts
- Become a subscriber, receive quarterly subscriber newsletters and attend exclusive season briefings
- Access concerts with a permanent disability with free care support through the companion card program

STUDENT
- Participate in education week
- Participate in school workshops
- Attend concerts as part of the Connect or UPBEAT initiatives
- Follow MSO on Facebook, Twitter and Instagram and sign up for fortnightly E-newsletters
Blockbuster programs in 2014 – and the top three performing concerts by operational surplus – included Doctor Who’s (50th Anniversary) Symphonic Spectacular, Ben Folds Live with MSO and Lord of The Rings – The Return of the King. Combined, they attracted an audience of over 27,000 people.

In 2014, the MSO’s offered tickets at a broad range of prices, making the MSO experience accessible to music lovers across the community.

- Adult single tickets starting at $20
- Discounts of up to 60% on additional single tickets for subscribers
- $30 tickets for 18 – 35 year olds
- Seniors concession tickets for selected concerts and series (7975 tickets issued in 2014)
- Concession tickets for unemployed and concession card holders
- Free companion tickets for carers of the disabled (546 tickets issued in 2014)

Making music an accessible part of every day life

Extending the experience beyond the concert hall, MSO connects with its audiences via multiple channels and platforms. As part of Melbourne’s rich cultural fabric, our ability to build loyalty while attracting new markets remains pivotal to our marketing strategy.

Increasing awareness through the media

2014 was a record breaking year for media coverage for MSO, with total media coverage (ASR) increasing 49% year on year from $8,964,030 in 2013 to $13,324,760 in 2014.

Extending our reach and engaging audiences across print, digital, recordings and broadcast

- Almost 100,000 free printed programs were distributed at MSO presented concerts, containing extensive information about the artists and repertoire. The programs are available online prior to and following the concert
- 497,479 visits to mso.com.au
- The MSO Facebook community continues to grow, up 93% year on year with 28,469 friends at the end of 2014 compared with 14,767 at end the 2013
- MSO released five CD’s in 2014, see page 18
- MSO continues to enjoy a long standing relationship with ABC Classic FM and as part of its partnership with the ABC is able to engage new audiences via live and delayed concert broadcasts. This year, 33 concerts were broadcast nationally and internationally via the network’s web stream reaching more than 1.65 million people
- In 2014, MSO grew its database by 13,756 people
MSO IN UNEXPECTED PLACES ACROSS MELBOURNE

Creating distinctive MSO events

Supported by the City Of Melbourne and promoted exclusively to audiences via social media, MSO’s five free late-night Secret Symphony performances in 2014 had capacity audiences and took classical music performance into more intimate settings of the Melbourne Aquarium, 1000 £ Bend in Melbourne CBD and M Pavilion in Queen Victoria Gardens.

MSO’s 2015 single ticket launch at the iconic Astor Theatre, a concert exploring the relationship between music and cult film also attracted a capacity audience, with lines of over 1000 people extending around the block. MSO also commissioned four Melbourne street artists to create works in city laneways. The initiative engaged over 300,000 people via social media, and achieved almost $1 million dollars (ASR value) in media coverage in two weeks, and acquired 1000 new email addresses for pre-sale sign up.

The Time for Three Pop Up performance in front of Melbourne Town Hall - to drive sales for MSO Pops concert American Panorama - was filmed and shared via MSO and Time for Three’s social media channels. To date, the video has received 41,811 views on Time for Three’s Facebook page alone, giving the MSO brand strong global reach. Other 2014 pop up events included MSO at ANZ headquarters in Docklands, and on the Rainbow Bridge over the Yarra with MSO Chorus for Handel’s Messiah.

Integrating MSO into existing Melbourne events

In 2014, MSO performed at the Melbourne Fashion Festival and Melbourne International Comedy Festival, engaging new audiences with live classical music.

BUILDING A COMMUNITY OF YOUNG CLASSICAL MUSIC LOVERS

MUSO, MSO’s membership program for 18 – 35 year olds grew 72% in 2014 up from 1,531 members in 2013 (the year the program launched) to 2,634. Ticket sales increased 138% over the year with 728 tickets sold. Membership, free with sign up online, included access to $30 ticket prices for fourteen different concerts, as well as invitations to six special events.

With the objective of building a community of classical music lovers and fostering a deeper level of engagement with MSO, MUSO has run two events in partnership with Dumbo Feather. The first event combined pre-concert drinks with an opportunity for members to extend their knowledge and appreciation of classic music with a talk from Rachel Orzech (PhD candidate and expert in 19th and 20th-century French music).

At the second event, MSO musicians Chris Cartlidge and Ann Blackburn were interviewed about their musical backgrounds and experiences, expressing some of their answers through their music.

On Sunday 30 November, MUSO hosted the second annual ‘Beerhoven’ event, a unique sensory experience matching craft beer tastings to classical music from the 2015 season. Following a two-week marketing campaign, the event sold out in less than 24 hours with 277 tickets sold. Beethoven took over Bakehouse Studios (a rehearsal and recording venue in Abbotsford legendary amongst rock musicians, with rooms curated by local artists). 14 MSO musicians performed eight chamber works in four rooms throughout the afternoon. The Beethoven campaign helped acquire approximately 400 new Muso members.

Left: MSO violinist Roger Young soundtracks Lucy Lucy’s collaborative work with the MSO
MSO TICKET BUYERS CAME FROM ACROSS AUSTRALIA AND VICTORIA

MSO attracts audiences from across Australia and performs in a variety of venues across metropolitan Melbourne and regional Victoria including Hamer Hall at Arts Centre Melbourne, Melbourne Town Hall, Plenary Hall, ABC Southbank Centre, the Melbourne Recital Centre, the Robert Blackwood Hall at Monash University and Frankston Cultural Centre. Regionally, MSO presented its five-concert subscription season at Costa Hall in Geelong, and performed in Bendigo, Hamilton, Wangaratta, Warrnambool and Warragul.
2014 was a milestone year for Education and Community Engagement at the Melbourne Symphony Orchestra. From exciting new artistic collaborations at our fourth annual Education Week, to running our first School Holiday Music Camp in Broadmeadows, our output was as diverse as it was deep.

Audiences are often surprised by the breadth of our work in this area, which encompasses concerts and workshops for schools, teachers, families and adults in the community. Over the past five years, Education and Community Engagement has become an increasingly vital and valued part of the Orchestra’s activities. In response to the ongoing growth of this area, a specific Education and Community Engagement Plan was commissioned to determine the direction of programs in years to come.

This process commenced in October 2014 and will conclude in 2015, and will include an assessment of strategic and perceived public value on all current and new programs.

Significant areas of growth in 2014 included participant contact hours, due to increased activity in our flagship Community program, The Pizzicato Effect, and the introduction of MSO Connect – a donor-supported schools partnership program. Additionally, our audience numbers were strong, despite the lack of funding for education for regional tours.

**SCHOOL PROGRAMS**

**Education Week**

The Melbourne Symphony Orchestra’s fourth annual Education Week at the Melbourne Town Hall in May was a week to be remembered, with the Orchestra performing for more than 10,000 school students, parents, teachers and music lovers over six action-packed days.

This year’s programming focused on creating new ways for people to engage with the Orchestra, and featured some of our most diverse and exciting programming to date.

A highlight of the week was the Meet the Orchestra program. Presented by Benjamin Northey, the four concerts included a collaboration with young Aboriginal musician and dancer Eric Avery/Marrawuy Kabi, and special guests Jessica Azodi (soprano) and Shane Charles (didgeridoo) as part of National Reconciliation Week. Created as an audience participation piece for primary school students, over 5,000 Victorian children prepared Yananha to perform with the Orchestra.

At Paper Orchestra – a playful crafting event presented in partnership with Pop-Up Playground, younger children and families had the opportunity to craft an imagined instrument out of paper and then ‘play’ it alongside the musicians of the MSO. They also had the opportunity to learn about the Orchestra in Richard Gill’s Classic Kids program, which encouraged everyone to be active listeners in life.

**Secondary Symphony Project** saw us welcome 52 student musicians from secondary schools across Victoria for a side-by-side orchestral training program which culminated in a public performance for family and friends, and two nights later, over 50 adult amateur musicians from the community joined us for one of the Orchestra’s most popular community initiatives, Symphony in a Day.

A new addition to the Education Week line-up this year was a Trivia Night, with live Orchestra. Conducted by Richard Gill and hosted by ABC Classic FM’s Phillip Sametz and soprano Antoinette Halloran, the night saw 42 teams compete across four rounds of orchestral trivia for the title of MSO Trivia Champions. Complete with audience participation and all sorts of trivia fun, the night was highly entertaining.

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Left: Primary School students at MSO Education Week
Above: Shane Charles performing at MSO Education Week
Meet the Orchestra – Sponsored Excursion Packages

Thanks to the generosity of MSO donors, patrons and sponsors, we were able to provide 19 fully-subsidised excursions to Meet the Orchestra concerts during Education Week. This enabled over 1,100 primary school students from across Victoria to hear a live Orchestra – most for the very first time. MSO worked closely with the Department of Education and Training to identify school groups from low socio-economic backgrounds, including a number of schools with a high percentage of refugee children and new arrivals. Starting in 2011, over 5,300 children have enjoyed this program and direct access to MSO musicians who visit each school prior to the concert to talk about the Orchestra and their instrument/s.

MSO Connect

MSO Connect is a donor-supported school partnership program and audience development initiative, which provides subsidised group ticket packages to Melbourne Symphony Orchestra concerts and special access to the expertise of MSO musicians. The program was piloted in 2014, and offered a meaningful, two-way interaction between secondary school students and MSO musicians. Participating schools received access to $45 student ticket packages to three of the most highly sought-after MSO concert experiences, and in-school access to the professional expertise of MSO musicians.

In 2014, five secondary schools (231 students) partnered with Melbourne Symphony Orchestra in this exciting new pilot.

Classic Kids

The Orchestra presented three programs in the Classic Kids series in 2014 to more than 5,000 kindergarten-aged children and their teachers. With a focus on meeting a balance between education and entertainment, all three programs introduced young children to a symphony orchestra in a different way.

In early May, the Orchestra welcomed back children’s entertainer and movie star, Jay Laga’aia to present his much loved I Can Play Anything program introducing dance, song and our favourite bear, Big Ted.

During Education Week, esteemed music educator and advocate, Richard Gill, presented an educational and highly interactive introduction to the Orchestra at the Melbourne Town Hall.

In October, MSO presented a collaborative project with the Australian Ballet Dance Education Ensemble that featured three dancers. This program was presented by Patricia Riordan Associate Conductor Chair Benjamin Northey and highlighted the link between movement and music.

Family Classic Kids

Family Classic Kids is a continuation of the Schools programming outlined above, with the performances being held on Saturdays. They are open to families as a way of introducing their children and grandchildren to the MSO. The series is highly popular, and in 2014 enabled over 2,700 young children and their parents to enjoy the sights and sounds of our Orchestra.

School Workshops

Musicians of MSO visited over 25 schools in 2014, to lead workshops, perform or present to class groups about music. These included ESL schools and outer-metropolitan and regional schools.

Teacher Training Sessions with Richard Gill

Two Teacher Training Sessions for primary and secondary generalist teachers were presented in March 2014. The two half-day workshops provided professional development for 51 teachers, touching on elements of music as outlined in the new Australian Curriculum for the Arts.

Open Rehearsals

Seven open rehearsals reaching over 230 secondary students and teachers were facilitated for school students to experience the Orchestra in rehearsal.

Up Close and Musical

172 VCE Elective Music students joined leading Australian composer Katy Abbott and conductor Luke Dollman in three live performance workshops across metropolitan Melbourne. This provided students with the opportunity to learn about compositional process. The workshops were complemented by a downloadable study resource which included both written and audio features.

UPBEAT

Approximately 684 Upbeat subscriptions were sold, with 2,500 students and accompanying parents or teachers enjoying the experience of live orchestral performances.
COMMUNITY ENGAGEMENT

Melbourne Symphony Orchestra has a strong commitment to its work in the community and each year presents a dynamic and responsive series of workshops and creative projects in schools and other settings around Melbourne.

Symphony in a Day

Symphony in a Day invited active amateur musicians from across 30 of Victoria’s community orchestras to join MSO for a larger than life performance of symphonic greats at the Melbourne Town Hall. Over 50 amateur musicians joined MSO musicians for afternoon workshops, rehearsals and a public performance for family and friends. Symphony in a Day was conducted by MSO Associate Conductor, Benjamin Northey.

The Pizzicato Effect

The Pizzicato Effect is a partnership between Melbourne Symphony Orchestra and Meadows Primary School in Broadmeadows which provides access to quality music education for students aged four and above. Now in its sixth year, the program occupies a key place in the lives of its students – connecting them with musicians and arts-based organisations both locally and around the world.

Highlights of 2014 included workshops with international artists Ray Chen (violin), Nicola Benedetti (violin) and MSO Principal Guest Conductor, Diego Matheuz; attendance at the Meet the Orchestra concert at Melbourne Town Hall as part of the Orchestra’s fourth annual Education Week; a three-day School Holiday Music Camp, held at the School in the September holidays; performing in Iwaki Auditorium at the annual Strings Alive workshop – a collaborative string ensemble event for children participating in philanthropically-funded primary school instrumental programs; and a very special End of Year concert performance with eighteen MSO musicians for family, friends, program supporters and the broader school community.

The impact of the program within the school and community continues to be hugely positive, with children developing a strong relationship with their MSO mentors, and classroom teachers reporting improved focus, self-confidence, grades and behaviour. Formal research into the developmental assets, social-emotional wellbeing and educational impact acquired from participation in The Pizzicato Effect is yet to be released by the University of Melbourne, but initial data points to improved literacy and stronger non-verbal reasoning skills (fluid learning).

MSO ArtPlay Ensemble Program

The award-winning MSO ArtPlay Ensemble program is a unique suite of collaborative projects between MSO musicians and young players aged between 8 and 13 years. The program focuses on composition and performance, and complements the young musicians’ instrumental learning by providing opportunities for intensive development in composition, improvisation, ensemble skills and performance, along with access to MSO rehearsals, performances, conductors and soloists.

The 2014 MSO ArtPlay Ensemble comprised 29 young musicians of varying musical ability from across Victoria, who were selected as a result of their positive involvement in an Open Workshop at the start of the year. The Ensemble met for three intensive workshops, each being based on a piece of repertoire featured in MSO’s main-stage programming. The first workshop was based on the music of Rachmaninov’s Symphony No.2, the second formulated a response to Smetana’s Ma Vlast, while the final workshop linked to the music of Rodrigo: Concierto de Aranjuez.

All workshops included opportunities for the young musicians to showcase their learnings in a public performance at ArtPlay for family and friends after each of the workshops. There were also opportunities for the ensemble to attend MSO concerts featuring this repertoire with their guardians. Subsidised fees were provided by MSO and ArtPlay for those requiring financial assistance to participate.

Below: MSO musician Miranda Brockman mentors Symphony in a Day cellist
Middle: A workshop with Ray Chen (violin) and MSO Principal Guest Conductor, Diego Matheuz
Right: Ensemble members from the 2014 ArtPlay program
MSO ArtPlay Graduate Ensemble

MSO ArtPlay Graduate Ensemble brings together Graduates of past MSO ArtPlay Ensemble programs (aged 10-18) for various projects. In 2014, 40 of the MSO ArtPlay Graduates met to form the core ensemble for a community ‘Jam’ at the Sidney Myer Music Bowl prior to the first MSO Summer concert at the Bowl. This program was led by Gillian Howell and linked into Bernstein’s Mambo! from West Side Story, inspired by the concert repertoire for that evening.

The MSO ArtPlay Graduate Ensemble program also joined forces on a second occasion in 2014 to celebrate ArtPlay’s 10th Birthday. The ensemble joined an impressive line-up of acts, including Circus Oz workshops and roving performances by Pocketful. The ensemble, in keeping with the festivities of the weekend, performed an inspired composition based around the well-known traditional song Happy Birthday to You. This event took place on Sunday 2 March.

City Beats

City Beats is a free annual program that provides school class groups of 20 children from diverse backgrounds with an opportunity to make music. The program focuses on collaborative composition and playing and improvising on a range of percussion instruments. Co-presented with ArtPlay, the first three workshops are led by Gillian Howell and a team of MSO musicians. In the fourth workshop, led by Erica Rasmussen and Zakiya Kurdi, the participants have the opportunity to respond to the music they have composed through the medium of visual arts. In 2014, four schools from across Victoria participated in this program.

MSO Family Jams

MSO Family Jams provide the opportunity for members of the community to make music with musicians of the MSO. Over the course of an hour, participants in these free public workshops develop an original piece of music around repertoire the Orchestra is performing in the current concert season. Each workshop culminates in a performance by participants, open to the general public. MSO ran four free Family Jams across two mornings in 2014. These sessions were led by Gillian Howell (June) and Lachlan Davidson (September) and a team of MSO musicians. Federation Square generously provided sponsored access to Deakin Edge for the Jams in support of the Orchestra’s Community Engagement programs.

MSO Jams for Juniors

Nine Jams for Juniors sessions were facilitated across three mornings in 2014. These free public Jams for babies, small children and their parents were led by Karen Kyriakou and an ensemble of MSO musicians. All sessions were fully subscribed, with over 800 young children and their parents participating across the three dates. Federation Square generously provided sponsored access to Deakin Edge for the Jams in support of the Orchestra’s Community Engagement programs.

MSO Learn

MSO Learn for iPhone and iPad was launched in June 2011 to coincide with the Orchestra’s inaugural Education Week. The App combines stunning graphics with uncompressed audio to produce an experience which integrates live performance, education and communication technology for users of all ages and enhance their appreciation of the workings of an orchestra. MSO Learn continues to attract between 300-500 downloads a week, and by the end of 2014 had achieved over 87,000 downloads internationally.
In 2014, Individuals, Trusts and corporate supporters enabled the delivery of the Orchestra’s artistic, education and audience development programs, brought people closer to the organisation, and nurtured the Company’s long-term future.

Continuing to widen our funding base and increase the breadth of support is a fundamental goal and we acknowledge the invaluable support we received from individual donors, philanthropic trusts, corporate partners and all levels of government.

Corporate partner and philanthropic giving passed $5.4 million, an increase of 32% on our 2013 result.

Individual giving increased by 66% to $3.24m – largely due to a very successful fundraising campaign for the European Tour. These funds were raised over and above donor’s regular annual giving commitments and are testament to the generosity of our supporters, and the transformative effect of touring. 3882 people made donations to the MSO in 2014 in response to our widened range of support opportunities from ticket add-on contributions to Artist Chairs and our many education programs.

Sponsorship revenue increased by 35% to $857,952 and we were delighted to welcome ANZ as a new Maestro level partner, and Rathbone Estate as Wine Partner. Emirates, our Principal Partner celebrated their ten year anniversary with MSO in 2014 and we look forward to continuing the close relationship we have forged together.

We have also worked closely with our existing partners to ensure they are deeply engaged and excited by their partnership with MSO. Examples of recent corporate activity include:

- Emirates added to their annual support by donating the major auction item to the MSO Gala Symphony Banquet, as well as increasing their presence at the event.
- MSO brass section entertained and delighted all at ANZ as they performed lunchtime concerts in the foyer of their magnificent head office in Docklands.
- MSO hosted a select group of Melbourne-based business leaders as part of the PwC pearls initiative. The workings of an orchestra, including the role of the conductor, and unique not-for-profit business model stimulated thought-provoking debate and discussion.

Our strategy is to increase MSO’s corporate sponsorship funding base by increasing the number and value of our corporate partnerships. We are currently reviewing the MSO product range, identifying key assets that could be offered to corporate organisations, and identifying prospects for each.

**Gala Symphony Banquet**

The MSO Gala Symphony Banquet, held on Wednesday 29 October, raised funds for our ongoing Education programs. This event performed above expectation, resulting in a total income of nearly $420k, a 60% increase on the previous year.

The evening was a celebration of our Orchestra, deftly led by Boston Pops Conductor Keith Lockhart, accompanied by Trevor Ashley and Rhonda Burchmore. Renowned chef Teage Ezard delivered an exquisite menu, matched with premium Mt Langi wines.

Special thanks go to Chairman Harold Mitchell AC who generously matched pledges on the night, making this MSO’s most successful gala event to date.

**Foundation and Development Committee**

Following the strategic priority to develop a larger and more sustainable funding base, the Foundation and Development Committee was established by the MSO Board of Directors in July 2014.

In practical terms, this Committee will assist MSO by providing strategic guidance, introductions and advocacy to secure new corporate and foundation support, and maintain ongoing positive relations with our financial supporters. The Committee meets four times per year and focuses on increasing our Corporate Income as we look to launch a major capital fundraising campaign in 2015.

**International Tour Fundraising**

We were determined from the outset that the 2014 European Tour could only proceed if funds were secured without negatively impacting on MSO’s ongoing commitments. In effect this meant securing new support which would not otherwise have been available for the Orchestra’s domestic programs.

The 2014 European Tour was made possible almost entirely due to generous philanthropic support provided by our Patrons, Trusts and a small circle of individuals. Together they contributed $1.27m of the $1.37m that was required with $100,000 in additional funding provided by the Federal Government. We are grateful to Harold Mitchell AC, the Ian Potter Foundation, The Pratt Foundation and Gandel Philanthropy for their generosity, and to everyone who extended their special support further to help close this gap and realise one of MSO’s most significant and historic ventures.

**Artist Chair Patronage**

2014 saw significant advancement of major donor support for the Orchestra, and we introduced a new level of recognition for patrons giving over $50k – our Benefactor Patron level. Importantly, new support has been closely tied to strategies for the Orchestra’s long-term future – audience development and education, and support of individual artistic positions. Our Artist Chair program is among the most potent of these, and we were delighted to receive anonymous support for the MSO Principal Flute Chair held by Prudence Davis during the year, and to receive renewed support from The Cybec Foundation for the Patricia Riordan Associate Conductor Chair, a position held by Benjamin Northey. This type of support actively helps us to secure, and recognise the extraordinary artists with our Orchestra. By aligning this support with key positions, our Artist Chair benefactors forge a deeper connection with individual players, and share a very special year within the MSO world.

**Appeals**

Generous donations from supporters for our annual End of Tax Year appeal helped raise over $100,000 for The Pizzicato Effect program – enabling funds to supply string instruments and instrumental tuition to children at Meadows Primary School. 33% of those responding were first time donors.

Our Christmas appeal focused on donor subsidised student tickets through UPBEAT. With help from a generous matching gift from Betty Amsden AO DSJ this appeal raised over $70,000.
Mahler Cycle Syndicate

Lovers of the music of the composer Gustav Mahler were invited to join the newly created Mahler Cycle Syndicate and receive invitations to exclusive Mahler events including receptions with artists, guest lecturers and behind-the-scenes experiences. In 2014, 17 inaugural members joined the Syndicate.

Bequest Focus

In tandem with our long-term planning, we turned our focus to bequest giving during 2014. All bequest income is directed to the MSO Foundation, and we expect the creation of a dedicated position focussed in this area will be a major factor in securing MSO’s artistic and financial future. The Bequest Program’s key stewardship program is MSO Conductor’s Circle which is open to anyone who has made a notified bequest to MSO. Members of the Conductors Circle enjoy a range of engagement activities and the opportunity to see first-hand where their bequest will be going.

Chinese New Year Concert

In 2014, MSO had its inaugural East Meets West: Chinese New Year celebration concert. MSO worked closely with board director David Li and the Chinese Consulate in Melbourne and attracted over 20 new corporate sponsors for this event alone.

Trusts and Foundations

The impact of this segment continues to grow as we see longstanding supporters increase their funding from annual to multi-year commitments, allowing MSO to strategically plan for longer term program capabilities. We must acknowledge The Pratt Foundation whose multi-year funding supported the development of the MUSO program and enabled MSO to diversify its audience segmentation to capture younger adults looking to experience live orchestral music. In 2014, the Crown Resorts Foundation together with Packer Family Foundation confirmed their ongoing support for MSO Access programs starting in 2015 onwards. Vital recurrent and new support has continued to come from Family and other Private Foundations, and we are grateful to the Trustees who support the MSO in this way.

A strong year in Development, with the majority of support for the European tour raised from private giving; annual gala donations exceeding target by $135K; the Christmas Upbeat appeal exceeding expectations by $35k; Principal Artist Chair Supporters increasing from two to three at $100k each; and of course the most wonderful support from Harold Mitchell AC.

A special thank you to all our Benefactor patrons in 2014

Philip Bacon
Marc Besen AO and Eva Besen AO
The Gross Foundation
David and Angela Li
Annette Maluish
Harold Mitchell AC
Roslyn Packer
Mrs Margaret S Ross AM and Dr Ian C Ross
Joy Selby Smith
Ullmer Family Endowment
Anonymous (2)

SOURCES OF DEVELOPMENT INCOME

WHERE MSO SUPPORTERS DIRECTED THEIR GIFTS

<table>
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<tr>
<th>Dedicated Grants and Trusts</th>
<th>Donation</th>
<th>Sponsorship</th>
<th>Event and Other Revenue</th>
<th>European Tour</th>
<th>Education and Access</th>
<th>Artist Development</th>
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MSO Supporters

**ARTIST CHAIR BENEFACTORS**
Harold Mitchell AC
Chief Concermtmaster Chair
Patricia Riordan
Associate Conductor Chair
Joy Selby Smith
Orchestral Leadership Chair
Marc Besen AC and Eva Besen AO
International Guest Chair
MS Friends Chair
The Gross Foundation
Principal Second Violin 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 UPBEAT
Supported by Betty Amsden OAM
MSO CONNECT
Supported by Jason Yeap OAM

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

**TRUSTS AND FOUNDATIONS**
Collier Charitable Fund
Creative Partnerships Australia
The Cybec Foundation
The Harold Mitchell Foundation
Helen Macpherson Smith Trust
Gandel Philanthropy
The Ian Potter foundation
Ivor Ronald Evans Foundation, managed by Equity Trustees Limited and Mr Russell Brown
Ken & Asle Chilton Trust, managed by Equity Trustees Limited and Mr Russell Brown

**PRINCIPAL $5,000+**
Anonymous (1)
Kee Wong and Wai Tang
Lyn Williams AM
Lipati
in tribute to the great Romanian pianist Dinu Lipatti

**PRINCIPAL $50,000+**
Phillip Bacon AM
Marc Besen AO and Eva Besen AO
Jennifer Brukner
Rachel and Hon. Alan Goldberg AO QC
The Foundation
David and Angela Li
Annette Maluish
Harold Mitchell AC
MS Newman Family
Roslyn Packer AC
Mrs Margaret S Ross AM and Dr Ian Ross
Joy Selby Smith
Ullmer Family Foundation
Anonymous (2)

**IMPRESARIO $20,000+**
Betty Amsden OAM
Penri Cutten and Jo Daniell
Susan Fry and Don Fry AO
John McKay and Lois McKay
Elizabeth Proust AO
Rae Rothfield
Ines Scotland
Trevor and Judith St Baker
Jason Yeap OAM

**MAESTRO $10,000+**
Michael Aquilina
Kaye and David Birks
Mitchell Chipman
Jan and Peter Clark
Andrew and Theresa Dyer
Future Kids Pty Ltd
Robert & Jan Green
Konfr Kabo and Monica Lim
Ima Kelson Music Foundation
Norman and Betty Lees
Minnie MacLaren
Ian and Jeannie Paterson
Onbass Foundation
Peter and Natalie Schiavello
Glenn Sedgwick
Marla Solt. In memory of Malcolm Douglas
The Gabriela and George Stephenson Gift, In tribute to the great Romanian pianist Dinu Lipatti
Lyn Williams AM
Kee Wong and Wai Tang
Anonymous (1)

**PRINCIPAL $5,000+**
John and Mary Barlow
Peter Biggs CNZM and Mary Biggs
Uno and Di Bresciani OAM
David and Emma Capponi
Paul Carter Jennifer Bingham
Tim and Lyn Edward
John and Diana Frew
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Hartmut and Ruth Hofmann
Jenny and Peter Hordern
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Jenkins Family Foundation
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David Krasnostein and Pat Stragallinos
Elizabeth Kraus in memory of Bryan Hobbs
Dr Geraldine Lazarus and Mr Greg Galley
Dr Elizabeth A Lewis AM
Mr Greig Galley and Dr Gerladine Lazarus
Peter Lovell
The Cuming Bequest
Mr and Mrs D R Meagher
Wayne and Penny Morgan
Marie Morton FRS
Dr Paul Niselle AM
Stephen Shanasy
Gai and David Taylor
the Hon, Michael Watt QC and Cecile Hall
Barbara and Donald Weir
Anonymous (4)

**ASSOCIATE $2,500+**
Dr Bronre Adams
Pierce Armstrong Foundation
Will and Dorothy Bailey Bequest
Barbara Bell in memory of Elsa Bell
Mrs S Bignell
Stephen and Caroline Brain
Mr John Brockman OAM and Mrs Pat Brockman
Leith 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
Dr Heen M Ferguson
Mr Bill Fleming
Dina and Ron Goldschlager
Colin Golvan SC and Dr Deborah Golvan
Charles and Cornelia Goode
Michael and Susie Hanson
Susan and Gary Hearst
Gillian and Michael Hund
Rosemary and James Jacoby
John and Joan Jones
Connie and Craig Kimberley
Sylvia Lavellie
Ann and George Littlewood
Alton and Evelyn McLaren
Don and Anne Meadows
Bruce Parnfelt and Robin Campbell
Ann Peacock with Andrew and Woody Kroger
Sue and Barry Peake
Mrs W Peart
Ruth and Ralph Renard
Max and Jill Schultz
Diana and Brian Snape AM
Mr Tam Vu and Dr Cherilyn Tillman
William and Jenny Ullmer
Bert and Ila Vanrenen
Brian and Heleno Worfield
Anonymous (10)

**ASSOCIATE $2,500+**
Dr Bronre Adams
Pierce Armstrong Foundation
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Diana and Brian Snape AM
Mr Tam Vu and Dr Cherilyn Tillman
William and Jenny Ullmer
Bert and Ila Vanrenen
Brian and Heleno Worfield
Anonymous (10)
12% increase in new patrons to MSO, up from 173 in 2013 to 194 in 2014.

PLAYER $1,000+
Anita and Graham Anderson, Christine and Mark Armour, Arnold Bloch Leibler, David and Beverly Asprey, Marilyn and Peter Bancroft OAM, Adeline Bassett, Prof Weston Bate and Jonice Bate, Bill Bowness, Michael F. Boyt, M Ward Breheny, John Brockman OAM and Mrs Pat Brockman, Susie Brown, Jill and Christopher Buckley, Dr Lynda Campbell, Sir Roderick Carnegie AC, Andrew and Pamela Crockett, Natasha Davies, Pat and Bruce Davis, Merrowyn Deacon, Sandra Dent, Dominic and Natalie Dirupo, John and Anne Duncan, Jane Edmanson OAM, Gabrielle Elsen, Vivien and Jack Falgenbaum, Grant Fisher and Helen Bird, Mr William J Forrest AM, Barry Fradkin OAM and Dr Pam Fradkin, David Gibbs and Susie O’Neill, Merwyn and Greta Goldblatt, George Golvan QC and Naomi Golvan, Dr Margele Goode, Danny Gorog and Lindy Susikind, Louise Gourlay OAM, Ginette and André Gremillet, Dr Sandra Hacker AO and Mr Ian Kennedy AM, Jean Hadges, Paula Hansky OAM and Jack Hansky AM, Tilda and Brian Haughtney, Julian and Gisela Heinze, Henkell Family Fund, Penelope Hughes, Dr Alastair Jackson, Stuart Jennings, George and Grace Kass, Irene Kearsley, Dr Anne Kennedy, Lew Foundation, Norman Lewis in memory of Dr Phyllis Lewis, Dr Anne Liers, Violet and Jeff Loewenstein, The Hon Ian Macphee AO and Mrs Julie Mcphee, Elizabeth H Loftus, Vivienne Hadj; and Rosemary Madden, in memory of Leigh Masel. In honour of Norma and Lloyd Rees, Trevor and Moyra McAllister, H E McKenzie, David Menzies, Jan Minchin, John and Isabel Morgan, Ian Morrey, The Novy Family, Laurence O’Keefe and Christopher James, Graham and Christine Peirson, Andrew Penn and Kaitie Blauhorn, John and Betty Pizay, Lady Potter AC, Peter Priest, Peter and Carolyn Renoldt, Jiaxing Qin, Eli Raskin, Dr Rosemary Ayton and Dr Sam Rickersson, Joan P Robinson, Tom and Elizabeth Romanowski, Deirdre Schiomberti-Hardy, Jeffrey Sher, Chris and Jacci Simpson, Dr Sam Smorgon AO and Mrs Minnie Smorgon, Dr Michael Soon, Geoff and Judy Steinicke, Mrs Suzy and Dr Mark Suss, Pamela Swanson, Prof Seong-Seng Tan and Jisun Lim, Dr Adrian Thomas, Frank and Miriam Tisher, Margaret Titzsch, P & E Turner, Mary Valentino AO, The Hon. Rosemary Varty, Leon and Sandra Veik, Sue Walker AM, Elaine Walters OAM and Gregory Walters, Janet Whiting and Phil Lukies, Nic and Ann Willcock, Marian and Terry Wills Cooke, Pamela F Wilson, Joanne Wolff, Peter and Susan Yates, YMF Australia, Mark Young, Panch Das and Laurel Young-Das, Anonymous (24)

THE MAHLER SYNDICATE
David and Kaye Birs, Jennifer Brukner, Mary and Frederick Davidson AM, Tim and Lyn Edward, John and Diana Frew, Louis Hamon OAM, The Hon Dr Barry Jones AC, Dr Paul Nissele AM, Maria Soló in memory of Malcolm Douglas, The Hon Michael Watt QC and Cecile Hall, Anonymous (1)

CONDUCTOR’S CIRCLE
Current Conductor’s Circle Members, Jenny Anderson, Lesley Bowden, Joyce Bown, Mrs Jenny Brukner and the late Mr John Brukner, Ken Bullen, Luci and Ron Chambers, Sandra Dent, Lyn Edward, Alan Egan JP, Louis Hamon OAM, Tony Howe, John and Joan Jones, Mrs Sylvia Lavelle, Cameron Mowat, Elizabeth Proust AO, Penny Rawlins, Joan P Robinson, Neil Roussac, Anne Roussac-Hoyne, Jennifer Shepherd, Pamela Swanson, Lillian Tarr, Dr Cherylin Tillman, Mr and Mrs R P Trebilcock, Michael Ulmer, Mr Tam Vu, Marian and Terry Wills Cooke, Mark Young, Anonymous (22)

THE MSO GRATFULLY 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

MSO Sponsors

PRINCIPAL PARTNER

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MAESTRO PARTNERS

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MEDIA PARTNER

ABC

ASSOCIATE PARTNERS

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CLEMENGER BBDO

SUPPORTING PARTNERS

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Dumplings Plus

Fatto Bar & Cantina

Fed Square

Huaoa Media

Pomeroy Pacific

PwC

Sotheby’s Australia

Universal

GOVERNMENT PARTNERS

Australian Government

Arts Victoria

City of Melbourne
Good governance structures encourage organisations to create value (through entrepreneurship, artistic innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved. This statement outlines Melbourne Symphony Orchestra’s corporate governance practices and compliance in line with Australia Council for the Arts’ Essential Governance Principles for Arts Organisations.

**PRINCIPLE 1**

**Lay solid foundations for management and oversight**

The practice of MSO’s Board of Directors is governed by the company’s Constitution and the Corporations Act. 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 at least four Board members as well as senior management. The Chair of each sub-committee acts as a Board interface by representing the Board and reporting back at full Board meetings. Each year, a calendar of Board and Board sub-committee meetings is set. Each sub-committee operates under a Charter which sets out the role and responsibility of that sub-committee.

In addition, the Board and senior management attend at least one strategy day each year to review pertinent issues outside the scope of a regular Board meeting and develop a response and implementation plan to these issues. The scope of the Board meetings include, but are not limited to, MSO’s strategic plan, artistic program, budget for the forthcoming season and financial year, updates from the Managing Director and sub-committees and any priority issues. Members of the senior management team report to the Board face-to-face and in writing at each Board meeting.

The current sub-committee structure, which was reviewed and modified in 2014, is comprised of four committees, each chaired by a different Board member, with the following areas of responsibility:

1. **MSO Governance and Nominations Committee – Chair, Kee Wong**
   - Overall Governance
   - Board recruitment and assessment
   - Succession planning
   - Managing Director assessment and compensation

2. **MSO Finance and Revenue Committee – Chair, Andrew Dyer**
   - MSO financials and long-term financial planning
   - Audit
   - Earned income streams
   - Contributed revenue streams
   - Driving diversity in audiences and revenue

3. **MSO Foundation and Development Committee – Chair, Harold Mitchell AC**
   - The structure of MSO Foundation
   - Development portfolios: Philanthropy, Corporate, Trusts and Foundations
   - Fundraising campaigns

4. **MSO Community and Government Relations Committee – Chair, David Krasnostein**
   - Community relations
   - Government relations
   - Education and Community Engagement programs

**PRINCIPLE 2**

**Structure the Board to add value**

The Board includes Directors with a range of skills including finance and accounting, business (both public companies and small business) and commercial experience, law, government, marketing, fundraising, I.T. and philanthropy. 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 12 and 13.

Directors are appointed for an initial term of three years. The maximum tenure for a Director is ten years, however in exceptional circumstances tenure may be extended for a further three year term, at the discretion of the Chair and the Board. As noted in Principle 1, the Board delegates the initial review of MSO’s significant business streams to the Board sub-committees, who report back to the Board regularly throughout the year. The Board remains responsible for the overall organisation.

The Board structure is managed by the Governance and Nominations Committee. The charters of the MSO Board and of the Governance and Nominations sub-committee also include the requirement to:

- Recommend the appointment of possible new Board members, with regard to the diversity of the skills of MSO Board members and organisation skill requirements
- Develop Board criteria and skill requirements
- Evaluate the Board’s performance as a whole, and the performance of individual members
- Actively manage the Board rotation system
- Ensure succession planning for Managing Director and other key management roles, including Chief Conductor and/or artistic leader
- Ensure that new Board members are adequately educated about MSO

The Constitution sets out an expectation that Directors are deeply connected to the mission of the Company, 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.

In addition, the Board relies on the advice of other MSO Committees, listed on page 20.
PRINCIPLE 3
Promote ethical and responsible decision-making

The MSO Board is charged with a number of procedural matters including:

- Review of annual operating plan and budget
- Articulation of MSO’s vision and mission
- Establishment and communication of expectations in regard to the cultural values and ethics of the Company

MSO, in its formal Code of Conduct, outlines its expected standard of conduct based on three main principles:

- Professionalism and integrity
- Fairness and equity
- Avoidance of real or apparent conflict of interest

The Board Induction Manual includes a copy of the MSO Code of Conduct, and in addition, the Board holds itself to the highest standards of ethical and responsible decision-making. Codes of conduct also exist for musicians and administrative staff.

PRINCIPLE 4
Promote diversity

MSO aims to be an organisation that fosters an organisational culture that embraces diversity. ‘Diversity’ includes, but is not limited to gender, age, ethnicity, disability and cultural background. We currently have in place an Inclusion and Access plan that sets out our current activity on reconciliation action planning, and outlines the further work on disability and cultural diversity that will be undertaken each year.

PRINCIPLE 5
Safeguard integrity in financial reporting

The Finance and Revenue Committee comprises at least four Directors including the Managing Director, the Company Secretary and, by invitation, the Chief Financial Officer as well as other operational staff and external representatives as required, including the external auditor.

Its functions include:

- Reviewing and monitoring progress against budget/forecast, and reporting to the Board on management and annual financial statements
- Management of MSO’s governing policies and procedures, specifically approving any new or altered policies
- Provision of input to management in setting the budget
- Evaluation and approval of executive expenditure
- Ensuring compliance with applicable laws and regulations
- Ensuring strong internal control policies and procedures are in place
- Development and monitoring of investment policy
- Approval of capital expenditure

The Finance and Revenue Committee requires the Managing Director and Chief Financial Officer to attest in writing to the truth and fairness of MSO’s annual financial statements.

In addition, the Managing Director and Chief Financial Officer must attest that the operational results are in accordance with relevant accounting standards. The annual accounts are independently audited.

PRINCIPLE 6
Recognise the legitimate interests of stakeholders

The Board is charged with the ultimate responsibility to ensure that productive working relationships with key MSO stakeholders are maintained. The day to day management of key stakeholder relationships is delegated to MSO’s Managing Director and in turn to the senior management team.

MSO actively encourages and actions audience feedback via its website as well as by verbal, postal and electronic communication channels.

The Managing Director, senior management team and Board Directors regularly meet with key stakeholders including government, sponsors, audiences, the Orchestra itself and those providing professional advice to MSO. From 2009, a peer review panel was implemented, providing valuable additional artistic feedback to the Board and management regarding orchestral quality and performance standards.

PRINCIPLE 7
Recognise and manage risk

The Board delegates review of risk management procedures and actions to all Board sub-committees, and recognition and management of risk to the Managing Director and senior management team. The charter of the Finance and Revenue Committee includes the safeguarding of company assets.

PRINCIPLE 8
Remunerate fairly and responsibly

The Board is specifically charged with ensuring the achievement, development and succession of the Company’s senior management team, including remuneration. The Board assesses and, when necessary, takes professional advice on market benchmarks for remuneration. The Board provides the Managing Director with parameters within which to negotiate musician and administration staff agreements.

The Directors’ positions are on an honorary basis, as such, Non-Executive Directors and the Company Secretary do not receive remuneration for their role as Directors of the Company.

2014 BOARD AND SUB-COMMITTEE MEETINGS

<table>
<thead>
<tr>
<th>Description</th>
<th>No of Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors’ Board Meeting</td>
<td>6</td>
</tr>
<tr>
<td>Directors’ Strategy Day</td>
<td>1</td>
</tr>
<tr>
<td>MSO Governance &amp; Nominations Committee (Board Sub-committee)</td>
<td>2</td>
</tr>
<tr>
<td>MSO Finance &amp; Revenue Committee (Board Sub-committee)</td>
<td>4</td>
</tr>
<tr>
<td>MSO Foundation &amp; Development Committee (Board Sub-committee)</td>
<td>2</td>
</tr>
<tr>
<td>MSO Community &amp; Government Relations Committee (Board Sub-committee)</td>
<td>1</td>
</tr>
</tbody>
</table>
Contents

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Auditor’s Independence Declaration 40
Statement of Comprehensive Income 41
Statement of Financial Position 42
Statement of Changes in Equity 43
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Directors’ Report
for the year ended 31 December 2014

The Directors present their report together with the financial report of Melbourne Symphony Orchestra Pty Limited (the Company) for the year ended 31 December 2014 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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr H Mitchell AC (Chairman)</td>
<td>27 November 2008</td>
</tr>
<tr>
<td>Mr P Biggs</td>
<td>1 January 2007 (retired 31 December 2014)</td>
</tr>
<tr>
<td>Mr A Dyer</td>
<td>12 December 2013</td>
</tr>
<tr>
<td>Mr D Gorog</td>
<td>17 February 2014</td>
</tr>
<tr>
<td>Mr A Gremillet (Managing Director)</td>
<td>15 October 2012</td>
</tr>
<tr>
<td>Mr D Krasnostein</td>
<td>12 August 2014</td>
</tr>
<tr>
<td>Cr R Leppert</td>
<td>2 February 2013 (retired 22 September 2014)</td>
</tr>
<tr>
<td>Mr D Li</td>
<td>1 July 2013</td>
</tr>
<tr>
<td>Mr A McKean</td>
<td>23 March 2009</td>
</tr>
<tr>
<td>Ms A Peacock</td>
<td>1 January 2007</td>
</tr>
<tr>
<td>Ms H Silver</td>
<td>14 January 2015</td>
</tr>
<tr>
<td>Mr M Ullmer</td>
<td>1 January 2007</td>
</tr>
<tr>
<td>Mr K Wong</td>
<td>1 January 2007</td>
</tr>
</tbody>
</table>

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 2014 was a surplus of $298,770 (equivalent result for the year ended 31 December 2013 was a deficit of $838,819). In the Company’s second complete season back in the refurbished Hamer Hall, overall sales increased by more than $870,000 when compared to 2013. Total donations and sponsorship income has increased by approximately $1.3 million. These increases have been sufficient to offset an increase in total expenditure including increases in employee, marketing, production and other expenses.

The Company presented 151 performances (excluding hires) during the twelve months ended 31 December 2014 (31 December 2013: 171). 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 focussing 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 2014. 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
Unless otherwise stated in this report, no matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect:
(a) the Company’s operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Company’s state of affairs in future financial years.

Auditor’s Independence Declaration
A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 40.

Signed in accordance with a resolution of the Directors:

Harold Mitchell AC
Chairman
Melbourne
25 March 2015
Auditor's Independence Declaration to the Directors 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 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst Young

Joanne Lcnergan
Partner
25 March 2015
Statement of Comprehensive Income
for the year ended 31 December 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government grants – direct</td>
<td>3a</td>
<td>593,134</td>
</tr>
<tr>
<td>Government grants - via parent entity</td>
<td>3b</td>
<td>12,588,627</td>
</tr>
<tr>
<td>Ticket sales</td>
<td>4</td>
<td>10,025,925</td>
</tr>
<tr>
<td>Sponsorship and donation revenue</td>
<td>5</td>
<td>5,420,677</td>
</tr>
<tr>
<td>Other revenue</td>
<td>6</td>
<td>1,809,175</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td></td>
<td>30,437,538</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td></td>
<td>16,157,743</td>
</tr>
<tr>
<td>Artists fees and expenses</td>
<td></td>
<td>3,174,747</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td></td>
<td>2,959,686</td>
</tr>
<tr>
<td>Production expenses</td>
<td></td>
<td>4,364,622</td>
</tr>
<tr>
<td>Selling expenses</td>
<td></td>
<td>316,770</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>7</td>
<td>285,324</td>
</tr>
<tr>
<td>Management fee</td>
<td></td>
<td>362,639</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td>2,517,237</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>30,138,768</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td></td>
<td>298,770</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME/(DEFICIT)</strong></td>
<td></td>
<td>298,770</td>
</tr>
</tbody>
</table>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.
<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents 15</td>
<td>3,571,941</td>
<td>2,566,862</td>
</tr>
<tr>
<td>Other financial assets 10</td>
<td>7,754,802</td>
<td>7,427,357</td>
</tr>
<tr>
<td>Receivables 8</td>
<td>657,995</td>
<td>1,211,735</td>
</tr>
<tr>
<td>Other 9</td>
<td>233,143</td>
<td>635,518</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>12,217,881</td>
<td>11,841,472</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables 8</td>
<td>20,966</td>
<td>22,347</td>
</tr>
<tr>
<td>Plant and equipment 11</td>
<td>476,092</td>
<td>527,518</td>
</tr>
<tr>
<td>Intangible assets 12</td>
<td>98,219</td>
<td>239,536</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td>595,277</td>
<td>789,401</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>12,813,158</td>
<td>12,630,873</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables 13</td>
<td>2,077,268</td>
<td>1,981,457</td>
</tr>
<tr>
<td>Unearned ticket sales</td>
<td>4,478,241</td>
<td>5,133,850</td>
</tr>
<tr>
<td>Provisions 16</td>
<td>3,186,097</td>
<td>2,880,409</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>9,741,606</td>
<td>9,995,716</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions 16</td>
<td>361,879</td>
<td>224,254</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td>361,879</td>
<td>224,254</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>10,103,485</td>
<td>10,219,970</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>2,709,673</td>
<td>2,410,903</td>
</tr>
<tr>
<td><strong>SHAREHOLDERS’ EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity 14</td>
<td>438,002</td>
<td>438,002</td>
</tr>
<tr>
<td>MSO Foundation reserve 21b</td>
<td>3,403,806</td>
<td>3,267,791</td>
</tr>
<tr>
<td>MSO RIS reserve 21c</td>
<td>3,907,677</td>
<td>3,762,399</td>
</tr>
<tr>
<td>Accumulated deficit 21a</td>
<td>(5,039,812)</td>
<td>(5,057,289)</td>
</tr>
<tr>
<td><strong>TOTAL SHAREHOLDERS’ EQUITY</strong></td>
<td>2,709,673</td>
<td>2,410,903</td>
</tr>
</tbody>
</table>

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 2014**

<table>
<thead>
<tr>
<th>SHAREHOLDERS’ EQUITY</th>
<th>Contributed Equity (Note 14)</th>
<th>Accumulated deficit (Note 21)</th>
<th>MSO Foundation Reserve (Note 21)</th>
<th>MSO RIS Reserve (Note 21)</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 December 2012</td>
<td>438,002</td>
<td>(3,905,990)</td>
<td>3,116,927</td>
<td>3,600,783</td>
<td>3,249,722</td>
</tr>
<tr>
<td>Total comprehensive income/(deficit)</td>
<td>-</td>
<td>(838,819)</td>
<td>-</td>
<td>-</td>
<td>(838,819)</td>
</tr>
<tr>
<td>Transferred to reserves</td>
<td>-</td>
<td>(312,480)</td>
<td>150,864</td>
<td>161,616</td>
<td>-</td>
</tr>
<tr>
<td>As at 31 December 2013</td>
<td>438,002</td>
<td>(5,057,289)</td>
<td>3,267,791</td>
<td>3,762,399</td>
<td>2,410,903</td>
</tr>
<tr>
<td>Total comprehensive income/(deficit)</td>
<td>-</td>
<td>298,770</td>
<td>-</td>
<td>-</td>
<td>298,770</td>
</tr>
<tr>
<td>Transferred to reserves</td>
<td>-</td>
<td>(281,293)</td>
<td>136,015</td>
<td>145,278</td>
<td>-</td>
</tr>
<tr>
<td>As at 31 December 2014</td>
<td>438,002</td>
<td>(5,039,812)</td>
<td>3,403,806</td>
<td>3,907,677</td>
<td>2,709,673</td>
</tr>
</tbody>
</table>

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 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from government funding (incl GST)</td>
<td>14,499,937</td>
<td>14,178,052</td>
</tr>
<tr>
<td>Receipts from ticket sales</td>
<td>9,451,397</td>
<td>9,773,150</td>
</tr>
<tr>
<td>Receipts from sponsorships (incl GST) and donations</td>
<td>5,618,152</td>
<td>4,464,676</td>
</tr>
<tr>
<td>Receipts from other revenue</td>
<td>1,556,849</td>
<td>1,096,454</td>
</tr>
<tr>
<td>Interest received</td>
<td>451,051</td>
<td>450,495</td>
</tr>
<tr>
<td>Payments to suppliers, employees and artists (incl GST)</td>
<td>(30,152,282)</td>
<td>(29,205,646)</td>
</tr>
<tr>
<td>NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</td>
<td>1,425,104</td>
<td>757,181</td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM INVESTING ACTIVITIES |          |          |
| Monies placed on Term Deposit | (327,444) | (320,454) |
| Payment for property, plant and equipment | 11 | (92,581) | (182,850) |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | (420,025) | (503,304) |

| NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES | - | - |

| NET INCREASE/(DECREASE) IN CASH HELD | 1,005,079 | 253,877 |
|                                       |          |          |
| Cash & Cash equivalents at the beginning of the financial year | 2,566,862 | 2,312,985 |

| CASH & CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 15 | 3,571,941 | 2,566,862 |

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

The financial report of the Company for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of Directors on 25 March 2015.

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 Corporations Act 2001, 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 – RDs) (Including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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 2014 with a Deed of Variation dated 30 November 2014 which extends the funding period to 31 December 2015. 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 of the donation 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:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Depreciation rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant &amp; equipment</td>
<td>10% - 30%</td>
</tr>
<tr>
<td>Musical instruments</td>
<td>10% - 20%</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>20% - 30%</td>
</tr>
<tr>
<td>Leasehold improvement</td>
<td>10% - 33.3%</td>
</tr>
</tbody>
</table>

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.
3. FUNDING REVENUE

<table>
<thead>
<tr>
<th>Source</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Funding from Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creative Victoria - Melbourne Symphony Orchestra Chorus Grant</td>
<td>125,590</td>
<td>125,590</td>
</tr>
<tr>
<td>City of Melbourne - Annual Grant</td>
<td>337,544</td>
<td>327,186</td>
</tr>
<tr>
<td>City of Melbourne - &quot;Late Nights&quot; Festival Grant</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Attorney General's Department, Ministry for Arts – 2014 European Tour Grant</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>593,134</td>
<td>482,776</td>
</tr>
<tr>
<td>b) Government Funding via Parent Entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia Council for the Arts - Annual Grant</td>
<td>10,308,105</td>
<td>10,125,840</td>
</tr>
<tr>
<td>Creative Victoria - Annual Grant</td>
<td>2,280,522</td>
<td>2,280,522</td>
</tr>
<tr>
<td></td>
<td>12,588,627</td>
<td>12,406,362</td>
</tr>
<tr>
<td>Total Funding</td>
<td>13,181,761</td>
<td>12,889,138</td>
</tr>
</tbody>
</table>

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.

4. TICKET SALES REVENUE

<table>
<thead>
<tr>
<th>Type</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription sales</td>
<td>4,350,904</td>
<td>4,031,101</td>
</tr>
<tr>
<td>Single night ticket sales</td>
<td>5,675,021</td>
<td>5,123,720</td>
</tr>
<tr>
<td></td>
<td>10,025,925</td>
<td>9,154,821</td>
</tr>
</tbody>
</table>

5. SPONSORSHIP AND DONATION REVENUE

<table>
<thead>
<tr>
<th>Type</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship</td>
<td>857,952</td>
<td>635,727</td>
</tr>
<tr>
<td>Donations</td>
<td>3,239,443</td>
<td>2,125,724</td>
</tr>
<tr>
<td>Bequests</td>
<td>11,200</td>
<td>431,922</td>
</tr>
<tr>
<td>Grants and trusts</td>
<td>1,312,082</td>
<td>909,825</td>
</tr>
<tr>
<td></td>
<td>5,420,677</td>
<td>4,103,198</td>
</tr>
</tbody>
</table>
6. OTHER REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>411,663</td>
<td>426,808</td>
</tr>
<tr>
<td>Orchestral hire &amp; performance fees</td>
<td>773,871</td>
<td>286,764</td>
</tr>
<tr>
<td>Other</td>
<td>623,641</td>
<td>569,652</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,809,175</strong></td>
<td><strong>1,283,224</strong></td>
</tr>
</tbody>
</table>

7. EXPENSES

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

Depreciation:
- Plant and equipment: 25,292 25,293
- Office equipment, furniture and fittings: 12,530 14,266
- Computers: 25,574 18,928
- Leasehold Improvements: 18,999 17,239
- Musical instruments: 61,612 63,379

**Total Depreciation (Note 11)**: 144,007 139,105

Amortisation (Note 12): 141,317 141,317

**Total Depreciation and Amortisation**: 285,324 280,422

Superannuation expense: 1,868,102 1,829,917

Operating lease rental expenses:
- Lease payments - car: 10,383 17,611
- Lease payments - office equipment: 20,480 20,297
- Lease payments - office rental: 188,678 189,588

8. RECEIVABLES

a) Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>584,655</td>
<td>1,009,527</td>
</tr>
<tr>
<td>GST receivable</td>
<td>78,789</td>
<td>202,208</td>
</tr>
<tr>
<td>Provision for impairment of receivables</td>
<td>(5,449)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>657,995</strong></td>
<td><strong>1,211,735</strong></td>
</tr>
</tbody>
</table>

Non-current

| Other receivables    | 20,966     | 22,347     |

b) Trade and other debtors ageing:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 60 days</td>
<td>569,213</td>
<td>1,008,147</td>
</tr>
<tr>
<td>61 to 90 days</td>
<td>8,477</td>
<td>1,100</td>
</tr>
<tr>
<td>Over 90 days</td>
<td>27,931</td>
<td>22,627</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>605,621</strong></td>
<td><strong>1,031,874</strong></td>
</tr>
</tbody>
</table>

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.
9. OTHER CURRENT ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>213,493</td>
<td>576,480</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>19,650</td>
<td>59,038</td>
</tr>
<tr>
<td><strong>Total Other Current Assets</strong></td>
<td><strong>233,143</strong></td>
<td><strong>635,518</strong></td>
</tr>
</tbody>
</table>

10. OTHER FINANCIAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSO RIS term deposit</td>
<td>4,033,434</td>
<td>3,864,144</td>
</tr>
<tr>
<td>MSO Foundation term deposit</td>
<td>3,721,368</td>
<td>3,563,213</td>
</tr>
<tr>
<td></td>
<td><strong>7,754,802</strong></td>
<td><strong>7,427,357</strong></td>
</tr>
</tbody>
</table>

Investments held in the MSO Reserves Incentive Scheme (RIS) reserve of $4,033,434 (2013: $3,864,144) 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 $3,721,368 in 2014 (2013: $3,563,213) are those with maturity of more than 90 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

<table>
<thead>
<tr>
<th></th>
<th>Plant and equipment</th>
<th>Musical instruments</th>
<th>Office equipment</th>
<th>Leasehold Improvements</th>
<th>Computer equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Opening balance</td>
<td>187,901</td>
<td>1,368,186</td>
<td>91,440</td>
<td>79,938</td>
<td>287,873</td>
<td>2,015,338</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>26,876</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>92,581</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>187,901</td>
<td>1,395,062</td>
<td>91,440</td>
<td>79,938</td>
<td>353,578</td>
<td>2,107,919</td>
</tr>
</tbody>
</table>

Accumulated depreciation:

|                                | $                   | $                   | $               | $                      | $                  | $     |
| Opening balance                | 134,343             | 1,016,391           | 63,317          | 21,550                 | 252,219            | 1,487,820 |
| Depreciation expense (Note 7)  | 25,292              | 61,612              | 12,530          | 18,999                 | 25,574             | 144,007 |
| Disposal                       | -                   | -                   | -               | -                      | -                  | -     |
| Closing balance                | 159,635             | 1,078,003           | 75,847          | 40,549                 | 277,793            | 1,631,827 |

Net book value, 31 December 2014

|                                | $                   | $                   | $               | $                      | $                  | $     |

Net book value, 31 December 2013

|                                | $                   | $                   | $               | $                      | $                  | $     |
12. INTANGIBLE ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Website</th>
<th>Tessitura CRM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cost:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>142,065</td>
<td>281,885</td>
<td>423,950</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>142,065</td>
<td>281,885</td>
<td>423,950</td>
</tr>
</tbody>
</table>

**Accumulated amortisation:**

<table>
<thead>
<tr>
<th></th>
<th>Website</th>
<th>Tessitura CRM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Opening balance</td>
<td>51,301</td>
<td>133,113</td>
<td>184,414</td>
</tr>
<tr>
<td>Amortisation expense (Note 7)</td>
<td>47,355</td>
<td>93,962</td>
<td>141,317</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>98,656</td>
<td>227,075</td>
<td>325,731</td>
</tr>
</tbody>
</table>

**Net book value, 31 December 2014**

<table>
<thead>
<tr>
<th></th>
<th>Website</th>
<th>Tessitura CRM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net book value, 31 December 2014</td>
<td>43,409</td>
<td>54,810</td>
<td>98,219</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Website</th>
<th>Tessitura CRM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net book value, 31 December 2013</td>
<td>90,764</td>
<td>148,772</td>
<td>239,536</td>
</tr>
</tbody>
</table>

13. PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>1,243,406</td>
<td>1,293,329</td>
</tr>
<tr>
<td>Other creditors and accruals</td>
<td>480,982</td>
<td>442,356</td>
</tr>
<tr>
<td>Unearned other revenue</td>
<td>352,880</td>
<td>245,772</td>
</tr>
<tr>
<td>Total Payables</td>
<td>2,077,268</td>
<td>1,981,457</td>
</tr>
</tbody>
</table>

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

Share capital
438,002 (2013: 438,002) ordinary shares, fully paid 438,002 438,002

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:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>2,571,941</td>
<td>1,566,862</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,571,941</strong></td>
<td><strong>2,566,862</strong></td>
</tr>
</tbody>
</table>

Cash equivalents at 31 December 2014 of $1,000,000 (2013: $1,000,000) include short term deposits which had a maturity date of less than three months at year end.

16. PROVISIONS

Employee Benefits

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Leave</td>
<td>848,067</td>
<td>651,666</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>2,095,190</td>
<td>2,228,743</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,943,257</strong></td>
<td><strong>2,880,409</strong></td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>361,879</td>
<td>224,254</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,305,136</strong></td>
<td><strong>3,104,663</strong></td>
</tr>
</tbody>
</table>

Other Provisions - Current 242,840 -

Assumed rate of increase in wage and salary rates 3.0% 3.0%
Discount rate (weighted average) 2.4% 2.7%
Settlement rate 10 years 10 years
Average full-time equivalent employees 148.99 148.11
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 2014, and the numbers of meetings attended by each director were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position Held</th>
<th>Held</th>
<th>Eligible</th>
<th>Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr H Mitchell AC</td>
<td>Chairman, Non-Executive Director</td>
<td>6</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Mr P Biggs</td>
<td>Non-Executive Director – retired 31 December 2014</td>
<td>6</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Mr A Dyer</td>
<td>Non-Executive Director</td>
<td>6</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Mr D Gorog</td>
<td>Non-Executive Director - appointed 17 February 2014</td>
<td>6</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Mr A Gremillet</td>
<td>Managing Director</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Mr D Krasnostein</td>
<td>Non-Executive Director – appointed 12 August 2014</td>
<td>6</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Cr R Leppert</td>
<td>Non-Executive Director – retired 22 September 2014</td>
<td>6</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr D Li</td>
<td>Non-Executive Director</td>
<td>6</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Mr A McKean</td>
<td>Director</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Ms A Peacock</td>
<td>Non-Executive Director</td>
<td>6</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Mr M Ullmer</td>
<td>Non-Executive Director</td>
<td>6</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Mr K Wong</td>
<td>Non-Executive Director</td>
<td>6</td>
<td>6</td>
<td>4</td>
</tr>
</tbody>
</table>

b) Compensation of Key Management Personnel

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>$1,291,273</td>
<td>$1,222,255</td>
</tr>
<tr>
<td>Number of KMP</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Average KMP FTE</td>
<td>6.8</td>
<td>6.4</td>
</tr>
</tbody>
</table>

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 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.

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 2014 were $1,054,599 (2013: $901,667). Table purchases and auction proceeds from Directors and director-related entities at the Company’s annual gala in 2014 were $17,600 (2013: $54,900).

ii) Sponsorship
Sponsorship from Director-related entities in 2014 was $101,097 (2013: $10,000).

iii) Grants revenue
Cr Rohan Leppert is a Councillor of the City of Melbourne which made grants to the Company for various purposes (refer note 3a). Total grants from the City of Melbourne in 2014 were $367,544 (2013: $357,186).

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 (2013: nil).

f) Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.
19. AUDITOR’S REMUNERATION

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit of the financial report</td>
<td>31,620</td>
<td>32,395</td>
</tr>
</tbody>
</table>

20. EXPENDITURE COMMITMENTS

Artists fees contracted, but not provided for, and payable:

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>719,476</td>
<td>812,019</td>
</tr>
<tr>
<td>One year or later, but not later than five years</td>
<td>619,000</td>
<td>1,234,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,338,476</td>
<td>2,046,019</td>
</tr>
</tbody>
</table>

Car lease expenditure committed as per agreements:

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>7,915</td>
<td>10,493</td>
</tr>
<tr>
<td>One year or later, but not later than five years</td>
<td>11,872</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,787</td>
<td>10,493</td>
</tr>
</tbody>
</table>

Consulting (Professional Services) contracts as per agreements

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>71,610</td>
<td>41,700</td>
</tr>
<tr>
<td>One year or later, but not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>71,610</td>
<td>41,700</td>
</tr>
</tbody>
</table>

Rental leases committed as per agreements (Administrative, Box Office premises and van)

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>188,317</td>
<td>41,229</td>
</tr>
<tr>
<td>One year or later, but not later than five years</td>
<td>78,662</td>
<td>46,013</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>266,979</td>
<td>87,242</td>
</tr>
</tbody>
</table>

Venue Rental Commitments

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>106,151</td>
<td>-</td>
</tr>
<tr>
<td>One year or later, but not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>106,151</td>
<td>-</td>
</tr>
</tbody>
</table>

The Company has provided the lessor of the MSO Box Office with a bank guarantee of $25,012 (2013: $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 – 31 December 2016
- Consulting (Professional Services) – 31 March 2015
21. RESERVES

a) Retained surplus/(accumulated deficit)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated deficit at the beginning of the year</td>
<td>$(5,057,289)</td>
<td>$(3,905,990)</td>
</tr>
<tr>
<td>Surplus/(deficit) from ordinary activities for the year</td>
<td>$298,770</td>
<td>$(838,819)</td>
</tr>
<tr>
<td>Transfer of interest earned on and donations to the MSO Foundation Reserve</td>
<td>$(136,015)</td>
<td>$(150,864)</td>
</tr>
<tr>
<td>Transfer of interest earned on MSO RIS Reserve</td>
<td>$(145,278)</td>
<td>$(161,616)</td>
</tr>
<tr>
<td><strong>Retained surplus/(accumulated deficit) at year end</strong></td>
<td><strong>$(5,039,812)</strong></td>
<td><strong>$(5,057,289)</strong></td>
</tr>
</tbody>
</table>

b) MSO Foundation Reserve

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>3,267,791</td>
<td>3,116,927</td>
</tr>
<tr>
<td>Transfer from Accumulated deficit</td>
<td>136,015</td>
<td>150,864</td>
</tr>
<tr>
<td><strong>Accumulated funds at year end</strong></td>
<td><strong>3,403,806</strong></td>
<td><strong>3,267,791</strong></td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>3,762,399</td>
<td>3,600,783</td>
</tr>
<tr>
<td>Transfer from Accumulated deficit</td>
<td>145,278</td>
<td>161,616</td>
</tr>
<tr>
<td><strong>Accumulated funds at year-end</strong></td>
<td><strong>3,907,677</strong></td>
<td><strong>3,762,399</strong></td>
</tr>
</tbody>
</table>

The MSO Reserves Incentives 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. These funds are not accessible to the Company until 3 June 2019 and have not been used to secure any liabilities of the Company.
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 2014 which has been extended to the end of 2015 through a Deed of Variation dated 30 November 2014.

Funding from the Australian and Victorian Governments through the Tripartite Funding Agreement has been secured for 2016. Confirmation of this was received from the Australian and Victorian Governments in a letter dated 9 September 2014. 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 2014 (31 Dec 2013: Nil).

24. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect:

(a) the Company’s operations in future financial years; or
(b) the results of those operations in future financial years; or
(c) the Company’s state of affairs in future financial years.

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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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 Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Company as at 31 December 2014 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 Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; 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:

Harold Mitchell AC
Chairman
Melbourne
25 March 2015

André Gremillet
Managing Director
Melbourne
25 March 2015
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, which comprises the statement of financial position as at 31 December 2014, 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 company 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 Corporations Act 2001 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 entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence
In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.
Opinion

In our opinion:

a. the financial report of Melbourne Symphony Orchestra Pty Limited is in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and

ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and

Ernst & Young

Joanne Lonergan
Partner
Melbourne
25 March 2015
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FIRST VIOLINS
Wilma Smith
Harold Mitchell AC
Concertmaster Chair
Dale Bartrop
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

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 Hasking
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
Ann Blackburn

COR ANGLAIS
Michael Pisani
Principal

CLARINETS
David Thomas
Principal
Philip Arkinsrall
Associate Principal
Craig Hill

BASS CLARINET
Jon Craven
Principal

BASSOONS
Jack Schiller
Principal
Elise Millman
Associate Principal
Natasha Thomas

CONTRABASSOON
Brock Imison
Principal

HORNS
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
Kenneth Mcclimont
Associate Principal

BASS TROMBONE
Mike Szabo
Principal

TUBA
Timothy Buzbee
Principal

TIMPANI
Christine Turpin
Principal

PERCUSSION
Robert Clarke
Principal
John Arcaro
Robert Cossom

HARP
Yinuo Mu
Principal