
Annual Report 2007



Victorian
Opera



Left: *Orphée et Eurydice*,
7-13 August 2007.
Photo by Jeff Busby.

Contents

Chairman's Report	5
Music Director's Report	8
General Manager's Report	12
The Company	16
Patrons	22
Partners	24
Directors' Report	25 - 26
Annual Financial Report	27 - 38

Chairman's Report

*More Opera to More Victorians,
Developing and Showcasing
Victorian Artists.*

Company Profile

Victorian Opera was established in 2005 as an initiative of the Victorian Government to bring professional opera of the highest possible standard to audiences in Melbourne and regional Victoria by:

- Presenting more professional opera in Victoria
- Creating more employment and professional development opportunities for Victorian opera artists
- Developing a commissioning program for new Australian work, and
- Providing access to touring productions for regional Victorians.

The company has also established and maintains the only professional chorus in Victoria, the Victorian Opera Chorus.

Victorian Opera prides itself on the company it keeps. The University of Melbourne provides financial support and a mutually beneficial education association. It has an ongoing relationship with Orchestra Victoria which performs most of its productions and concerts. It also counts as partners and collaborators a number of significant performing arts companies and training institutions, including Australian Youth Orchestra, the Malthouse Theatre and Victorian College of the Arts.

In its first two years on stage, Victorian Opera surpassed government expectations, piloting two successful Mainstage Seasons together with Education, Regional Touring and Artist Development Programs, and establishing subscriber and single ticket audience bases.

Vision & Mission

Victorian Opera aspires to be distinctive, it achieves this by: **Innovation** – this means not only unfamiliar or new repertoire but also, for example, productions of standard repertoire in a variety of venues

Accessibility – this will be achieved through new repertoire, by different approaches to opera and through regional touring and education

Affordability – in order to reach a wide audience, a range of affordable ticket prices is available for each event

Collaboration – Victorian Opera actively works with other organisations (both professional performing arts companies and performing arts training institutions) in order to cross-fertilise ideas, make available funds go further, access new audiences and provide educational opportunities.

Victorian Opera is committed to responsible management of its financial and environmental resources. The costs of producing this report have been contained to maximise the funds devoted to Victorian Opera's productions and programs. This Annual Report has been produced using environmentally sound practices



It gives me great pleasure to present the Annual Report of Victorian Opera, reporting on the second full year of operation since the company was created by the Victorian Government in 2005. Victorian Opera was established to bring more professional opera to more Victorians, and we can see the beginnings of fulfilling this mission in our 2007 results.

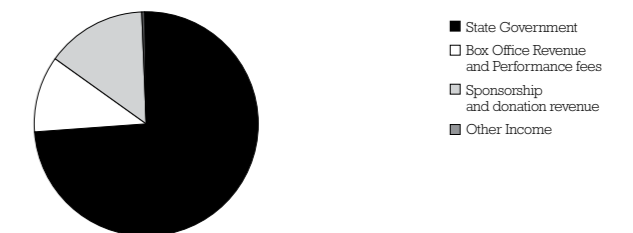
Following on from our initial task of getting the company up and running and on stage for the first time in 2006, 2007 has been a year of rapid growth accompanied by continued consolidation behind-the-scenes.

Our net result for 2007 was a surplus of \$134,661 and this has been transferred to reserves. Total revenues, including our State Government grant, was \$3.75 million (2006: \$3.1 million), and total expenditure was \$3.21m (2006: \$2.2 million). Our fiscally responsible approach during our first two years has enabled us to establish and maintain from the outset the benchmark 20% reserve fund required of major performing arts companies.

As we hoped, revenue generated at the box office and via outside engagements doubled to \$0.6 million, and sponsorship and patronage revenue also doubled to \$0.9 million. Both of these areas are expected to be continued sources of growth over coming years.

As Victoria's only professional opera company, a major part of our role is to provide employment to established and emerging artists, conductors, teachers and coaches, stage and lighting designers, technicians and administrative staff. Salaries and fees accounted for over fifty per cent of our expenditure, and Victorian Opera provided new work opportunities for some 190 artists.

2006 Source of Funds



2007 Source of Funds



Chairman's Report

2007 Application of Funds

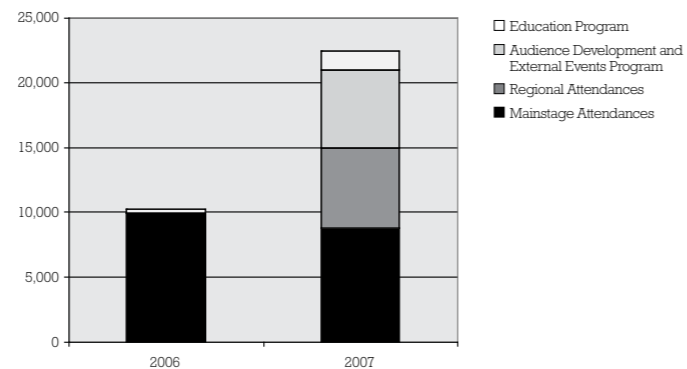


We maintained our unique commitment to the development and staging of new Australian operas with the presentation of one new mainstage production and a revival of a contemporary Australian youth opera production in 2007, and a series of development workshops and presentations of the new work scheduled for 2008. Both stage productions attracted excellent audiences, underscoring the widespread support of our aim to position Victoria nationally and internationally as a centre for new operatic work.

Our total attendances more than doubled those of 2006. Our initial mainstage audience of 8,779 patrons returned for our second season, joined this year by 6,206 patrons who attended our inaugural Regional Tour. The enthusiastic reception for Victorian Opera as we went beyond Melbourne's city limits for the first time was extremely heartening and heralds for us the start of important ongoing regional relationships.

During 2007, Victorian Opera sought to introduce ourselves to a broad audience through a series of engagements at community and corporate events. These accounted for a further 5,120 people, bringing our total attendances to 22,456 over the year and providing the company with an increasingly substantial platform from which to perform.

Attendances



Our secure financial footing, and the ongoing growth in support by our patrons, sponsors and audiences is enabling us to address our ambitious plans for the future.

By taking our activities to another level, we will be in a stronger position to achieve our long-term strategic aims, namely:

- Expand our Performance Program to include a range of mainstage production, concert, festival and touring activities
- Attract a mix of traditional, new and next generation audiences through the annual delivery of a varied program of traditional and new works
- Continue to differentiate ourselves from Opera Australia through our programming, repertoire and regional activity
- Broaden our audience base to capture a substantial Victorian subscription base
- Diversify our funding base to include federal and local government funding, and funding from non-government sources
- Establish Victorian Opera as a Federally-recognised State Flagship Company eligible for Australia Council Major Performing Arts Board funding.

In order to do this, we believe we need to achieve the following over time:

- Expand our annual Mainstage Performance Program over the next ten years to include an extended Winter Season comprising 4–5 Mainstage Productions, Spring and Summer Concerts, and a New Commissioned Work.
- Maintain and grow our Regional Program of fully-staged touring productions alternating with concert tours
- Develop a broader Regional Program, running programs in selected regional centres alongside our touring performances
- Extend our Artist Development Program to provide even greater career development for Victorian-based artists
- Develop a Schools-Based Education Program to give primary and secondary school students greater exposure to opera
- Tour a production internationally every second or third year and take on the role of cultural Ambassador
- Establish a regular Victorian Opera Festival profiling new and traditional works
- Produce a Festival-based production every second year.

In other words, we seek to deliver the full-scale state opera company that Victoria has looked to us to provide since we started. We have the team, we have the expertise and we have the foundations of the all-round support required to move to the next stage of development.

Meanwhile, we can celebrate the conclusion of a second, highly successful year, one that is, as always, due to the concerted effort of many.

For their substantial support this year, we salute and thank the Victorian Minister for the Arts, Lynne Kosky and her parliamentary colleagues; the departing Secretary of the Department of Premier and Cabinet, Terry Moran; Arts Victoria Director Penny Hutchinson and her colleagues; our Patron-in-Chief Professor David de Kretser AC, Governor of Victoria; our Founding Patrons Dame Elisabeth Murdoch AC DBE and Lady Potter AC; the University of Melbourne; the John Holland Group; the Robert Salzer Foundation and all of our corporate supporters and patrons.

I thank my colleagues on the board – Francis Ebury, Ross Freeman, Margaret Gardner, Merlyn Quaipe, Barry Sheehan and Graeme Willersdorf – for their contributions and wisdom this year. I also congratulate Richard Gill and Anne Frankenberg and the staff and artists of Victorian Opera for their work, dedication and artistry in bringing Victoria's state opera company to life.

Michael Roux
Chairman

Music Director's Report



Les Noces and Oedipus Rex

'We have one duty to music; that is to invent it'... Igor Stravinsky

The opening concert in the second year of Victorian Opera's life, a program of Stravinsky's music which included *Les Noces* and *Oedipus Rex*, provoked considerable controversy. Many musicians, including a large body of university music students, who attended the concert, thought it was one of the best events ever presented in Hamer Hall. The artistic success of the concert was clearly evidenced in the ways in which the orchestra, and the chorus particularly, rose to the occasion and more than met the challenges of the music. *Les Noces* was brilliantly supported by pianists Stephen McIntyre, David McSkimming, Andrea Katz and Stefan Cassomenos, with Kirsti Harms, soprano, Dimity Shepherd, mezzo-soprano, Christopher Saunders, tenor, and Jerzy Kozłowski, bass providing the solo lines. Thrilling work also came from the percussion ensemble ably led by Orchestra Victoria's percussion section, augmented with some of Australia's finest orchestral percussionists. Victorian Opera chorus scored brilliant successes in both works and Orchestra Victoria, recently described by the opera critic of *The Age* as 'superb' provided wonderfully strong support at every level. Orchestra Victoria is a true partner of Victorian Opera in every sense of the word.

Notwithstanding the problems with casting this music, especially the solo sections, a problem which is universal, the company grew in artistic stature and established itself in Melbourne as an innovative and imaginative company prepared to take risks and extend the boundaries of concert presentation.

The Love of the Nightingale

'It's too fast... Richard Mills

One hundred and twenty years after the opening of Her Majesty's Theatre in Exhibition Street, formerly Stephen Street, Melbourne, a new Australian work based on the Greek legend of Tereus, Procne and Philomele and their ultimate

metamorphoses as bird-life, was presented to the public as *The Love of the Nightingale* with music by Richard Mills to a text by Timberlake Wertenbaker from her play of the same name. To be doing new work in this wonderful theatre was a great joy, knowing that such a rich history of operatic performances including world premieres, is associated with this venue. *The Love of the Nightingale*, the third full-scale opera in Richard Mills's oeuvre, was a collaboration amongst six companies; West Australian Opera, Perth International Arts Festival, Opera Queensland, Queensland Festival of Music, Queensland Performing Arts Centre and Victorian Opera, demonstrating more than adequately what can be achieved when artistic resources are pooled.

The Victorian season of the opera was the third of three seasons of the opera which began at the Perth Festival, 2007, curated by Lindy Hume, who also directed the performances, transferred to Brisbane for the Queensland Music Festival, under Paul Grabowsky's curation for its second season, and then to Melbourne for its third and final season at Her Majesty's Theatre. The reception publically and critically was outstanding in every venue.

The Love of the Nightingale represented a coming-of-age for Victorian Opera so far as the presentation of new work is concerned and sealed the company's commitment to Australian music, a commitment which will ultimately manifest itself in Victorian Opera's commissioning program over the next five years and beyond. The work of the cast and the orchestra was exemplary; the intensity of the rehearsal period and the constraints of the theatre were well-managed by all concerned, especially the disposition of the pit and the accommodation of the orchestra. Lindy Hume's direction enabled Anke Höppner, Leanne Kenneally, James Egglestone and Douglas McNicol to score big successes shared equally with Roxane Hislop, Elizabeth Campbell, Adrian McEniery and a supporting ensemble of young singers. Outstanding work by the production team led by Jane Millett and David Harrod also contributed strongly to the success of this work.

...actually, I like your speed' Richard Mills

Orphée et Eurydice

'Furthermore, I believed that my greatest labour should be devoted to seeking a beautiful simplicity' ...
Christoph Willibald Gluck

That *Orphée et Eurydice* is a beautiful and simple opera at the same time as being treacherously difficult, remains one of the great musical paradoxes. Its place in the repertoire is secure; the great performances of it few and far between; it often eludes the best conductors and generally traps the singers. In short, its musical nature is an exact reflection of its subject matter; blessed and damned. It is, in my opinion, as close to perfection as the composer of an opera gets.

Victorian Opera's Artistic Administrator, Kylie McRae's idea of inviting Bangarra's Stephen Page to direct this was inspired. Page's natural heritage is Indigenous; this rich background together with a strong insight into myth and legend, which he uses in his capacity as one of Bangarra's choreographers, and a highly developed theatrical sense all combined to give Victorian Opera a fresh and vital look at this great work. Australian conductor, Matthew Coorey, returning after considerable success in London musically directed the performances. Talya Masel, assisting Stephen Page, was a tower of strength in the room. Dimity Shepherd as Orphée, Alison Rae Jones as Eurydice and developing artist Jacqueline Porter as L'Amour gave of their best, supported by a company of dancers and the Victorian Opera Chorus and Orchestra Victoria. The public reaction to the work was overwhelmingly positive; the press were divided in their views ranging from reserved to glowing.

Victorian Opera now has two beautiful productions in its repertoire, Jean Pierre Mignon's *Così fan tutte* and now Stephen Page's *Orphée et Eurydice*. The joy will be in adding to these works as the company grows and providing Victorian audiences with fresh views of the standard repertoire.

Victorian Youth Opera: Snow Queen & workshops

'This is the best performance of the work I have heard' ...
Grahame Dudley, composer of *Snow Queen*

Directed by Victorian Opera's Jane Millett, conducted by one of our developing artists, Nicholas Carter, designed by a Victorian College of the Arts graduate, Harriet Oxley, cast from school-children and university students from around Melbourne, accompanied by orchestral forces from the University of Melbourne, produced, built and costumed by staff and students from the Victorian College of the Arts under the guidance of the

indefatigable and inspirational Richard Roberts, this presentation of *Snow Queen*, music by Grahame Dudley, libretto by Nick Enright, represented all that is best about collaborations between professionals and students.

Victorian Youth Opera is ready to blossom into a life of its own providing unique opportunities for students of all ages to be involved in the activities of an opera company, not simply from the point of audience development but from other points of view which might lead young people toward a career as a singer, orchestral player, director, designer, stage manager and other careers in the performing arts.

The workshops in operatic repertoire offered at the end of 2007 to university and senior high school students drew a very strong response from this cohort, all of whom commented favorably on the value and worth of the experience, indicating that this work enriched, developed and extended their school or university work.

Victorian Opera's investment in youth activities places the company at the forefront of operatic education in Australia. The performances, which were presented at the National Theatre in St. Kilda, drew good crowds not only of relatives of the cast, but interested members of the general public who support this valuable aspect of our work.

Artist Development Program

'I have made a serious decision...this is what I want to do'...
Samuel Dundas, Developing Artist

The second year of this program has been very beneficial for the five developing artists. Each one of them in 2007 was entrusted with special tasks which they fulfilled in an exemplary way. Mylinda Joyce (Fiordiligi), Jacqueline Porter (Despina), and Samuel Dundas (Guglielmo), achieved new musical and dramatic heights in Mozart's *Così fan tutte* which Victorian Opera toured regionally. Sarah Cole (Dorabella cover and chorister) was a model company member in every way and Nicholas Carter conducted clearly and decisively. Sarah Cole and Samuel Dundas also undertook the roles of Iris and Second Soldier respectively in *The Love of the Nightingale* in Queensland and Melbourne, and Jacqueline Porter performed L'Amour in *Orphée et Eurydice*.

I look forward to the day when we are able to extend this program to a full-time, two-year program, so that we can offer intensive and thorough instruction in all aspects of operatic work. Guest language coaches, directors, vocal coaches, movement specialists and the like provide strong input into this program but it will never be truly functional until we have

Music Director's Report

Right: *Orphée et Eurydice*,
7-13 August 2007.
Photo by Jeff Busby.

a National School of Opera operating on a full-time basis. It is a matter of established fact that Australia lies at the back of the pack when it comes to music education generally and opera training and teaching specifically. However, there is no lack of interest in the art form from young people all over Australia, simply a lack of opportunity for these young people to be taught, tried and tested as performers. Based on recent educational developments in this state, Victoria has an opportunity to lead the way and change the direction of operatic education in this country.

Regional Tour - *Così fan tutte*

'Please come again'... ninety-eight percent of audiences from regional Victoria.

The overwhelming response from the regions was that they want us again and again. Many venues indicated that next time we visited they would take two performances from us. The cast and crew worked tirelessly on this tour. It is enough to say, as a brief summary of that report, that the tour, a huge artistic success, revealed problems in some aspects of the company's work; problems which will be solved for the next tour and all of which form part of the process of bringing a new company to life and allowing that company to grow. A failure to acknowledge our problems is to lose contact with reality. To recognize that we can solve them is a sign of maturity. This maturity is evident in the way in which the staff at Victorian Opera operates as a team to produce the highest quality of work possible.

We are looking forward to growing our regional activity, especially in the field of education and we are hoping to extend our work significantly by providing measurable musical and operatic resources to regional Victoria and outer-suburban Melbourne. We are grateful for the tireless work and wise counsel of Penny Hutchinson and her staff at Arts Victoria, who provide us with assurance, guidance and advice in these matters.

Chorus Workshop

Two workshops were held, providing opportunities for current and aspiring members of the Victorian Opera Chorus to develop their skills, and they included work on rhythm, sight-reading, and ensemble skills, as well as masterclasses on solo performance. Choristers were charged a nominal amount to cover catering costs, and feedback from participants was positive and encouraged further scheduling of such events.

'Advance Australia Where?'... Hugh Mackay, author, sociologist

The Victorian Opera company is currently operating at maximum capacity on its current budget. The initiative of the Victorian Government to establish a full-time professional opera company was not an idle threat but rather it was a serious commitment of a long-term nature to fund the company at an appropriate level so that all Victorians would have access to fully-staged, professionally produced and professionally sung operatic performances. I am confident that the Victorian Government recognizes this circumstance and that all Victorians can look forward to a period of growth and development over a period of time which will place Victoria fairly and squarely on the world's operatic map. The Board of Victorian Opera is working tirelessly and selflessly to assist the company achieve its goals; to them all and to the staff of Victorian Opera, especially our wonderful Head of Music, David McSkimming, my heartfelt thanks.

Richard Gill
Music Director



General Manager's Report



Victorian Opera's second year of operation has been one of both consolidation and growth.

We consolidated our Victorian Youth Opera program with a production of Australian Composer Grahame Dudley's *Snow Queen* at the National Theatre, and the addition of specialist workshops for advanced students. We also continued the Artist Development Program, with the group of artists who had commenced training in 2006 graduating to principal roles and professional conducting engagements.

Our important partnership with Orchestra Victoria continued in 2007, with a chance to feature their percussion section during our February concert of *Les Noces* as well as profiling the full orchestra for *Oedipus Rex*, and to work with chamber forces in Her Majesty's Theatre for *The Love of the Nightingale* and *Orphée et Eurydice*. A small ensemble of players then took to the road with the company for the *Così fan tutte* tour.

Our mainstage productions have grown from one production in 2006 to two productions in 2007 as well as the metropolitan and regional tour of *Così fan tutte*, and in 2008 three mainstage productions will be presented.

It was particularly exciting to be part of a nation-wide partnership of professional organisations who produced Richard Mills' acclaimed new work, *The Love of the Nightingale*, and my thanks go to Perth International Festival of the Arts, West Australian Opera, Opera Queensland, Queensland Festival of Music and the Queensland Performing Arts Centre for their collaboration.

It was also a delight to see Stephen Page, Peter England, Paula Levis and Matt Scott create a beautiful new interpretation of Gluck's wonderful *Orphée et Eurydice*.

Our audience development activities also grew in 2007, with the *Discover Opera* series of seminars during which Richard Gill's insights into the operatic form informed, intrigued and sometimes convulsed with laughter a delighted group of participants. *Sing Your Own Opera* provided the opportunity for all who have cherished dreams of singing opera to realise them, joining with Orchestra Victoria and some of Victorian Opera's own soloists to lift the roof of the Melbourne Town Hall.

Another growth area in 2007 was the family of artists with whom we work, the increasingly acclaimed Victorian Opera Chorus, the promising members of our Artist Development Program, and the talented group of singers, dancers, conductors, directors and designers we've worked with on our various productions. Also importantly, our family of supporters has grown, with new corporate supporters, foundations, and a large number of individual patrons and donors helping us to finance the growth in our activity.

The second year of the company's operations was marked by the acquisition of several important sponsors, demonstrating the corporate sector's trust in our strategic direction.

We were particularly proud to welcome John Holland Group as Major Partner and Principal Sponsor of the Artist Development Program. John Holland's focus on the development of its people and culture made it particularly fitting that they be aligned with Victorian Opera's Young Artists, who it is hoped will become some of the leading singers of their generation. We are also proud to acknowledge the ongoing support of our University Partner, the University of Melbourne, who are an inaugural major supporter of the company, and with whom we partner on a range of educational and training initiatives. The support of John Holland Group and the University of Melbourne allows Victorian Opera to develop our mainstage seasons to their maximum potential and demonstrates great leadership in their commitment to supporting the establishment of a new State opera company.

Also new to the sponsor family was RACV, who through their Community Partnership Program, supported our regional and outer metropolitan performances of *Così fan tutte*. Under the banner of 'keeping Victorian Opera on the road' this tour presented fourteen performances in ten venues around Victoria. This was an important venture, which resulted in many people in regional Victoria having the opportunity to attend the first fully staged performances by any opera company in this state for over a decade. Joining RACV as a new partner was Zinifex, who became a production supporter for the season of *Orphée et Eurydice* at Her Majesty's Theatre.

Victorian Opera's partnerships with Minter Ellison, Sofitel Melbourne, Morpheum, Dromana Estate and Solved IT all assisted greatly with vital operational, logistical and event support, allowing the company to invest as fully as possible in all our performance programs. We also thank 3MBS FM for their support as our Media Partner in promoting Victorian Opera to a wide listenership.

Philanthropy has assumed a growing importance in Victorian Opera's development revenue due to the support of both foundations and individuals. We pay particular tribute to the exceptional support of The Robert Salzer Foundation, which increased its support over 2006 to include our commissioning as well as mainstage program.

The passion for Victorian Opera's suite of activities arguably is found in a highly committed group of individuals collectively known as our Patrons. To each and every one of them, we extend our most grateful thanks and appreciation. Not only do they contribute a valuable and growing financial support, their comments and feedback provide us with an honest voice on which to measure our progress and achievements.

My thanks go to our energetic, enterprising and ever inventive team of staff, to Richard Gill whose enthusiasm and creative energy provide inspiration for us all, to the Victorian Opera Board for their expertise, time, and counsel, and to all who provide the financial support which underpins our work. My thanks also to our foundation group of subscribers and all the audience members who've shared in our performances. We look forward to sharing many more with you.

Anne Frankenberg
General Manager

Victorian Opera Activities 2007

Date	Event	Venue	Program	Attendance
11 February	Discover Stravinsky	Horti Hall	AD	120
17 February	Les Noces/Oedipus Rex Gala Concert	Hamer Hall	MP	2299
1 March	Royal Overseas League Concert	Naval and Military Club	AD	100
10 March	Sing Your Own Opera	Melbourne Town Hall	AD	458
17 April	Discover Opera	Horti Hall	AD	63
17 April	Fashion Festival – Sass & Bide Parade	Exhibition Gardens	AD	1500
14 May	Future Summit Dinner	Great Hall, National Gallery of Victoria	AD	550
1 to 3 June	Snow Queen	National Theatre (5 Performances)	EP	1464
5 June	Discover Berlioz	Horti Hall	AD	60
21 June	Minter Ellison Staff Ball	Foyer, Melbourne Museum	AD	400
20 July	3MBS Live Broadcast from Federation Square	BMW Edge at Federation Square	AD	260
22 July	Discover The Love of the Nightingale	Horti Hall	MP	70
27 & 29 July	The Love of the Nightingale (Commissioning Program)	Her Majesty's Theatre 2 Performances	MP	2047
5 August	Discover Orphée et Eurydice	Horti Hall	AD	70
7 to 13 August	Orphée et Eurydice	Her Majesty's Theatre 4 Performances	MP	4433
16 August	Minter Ellison Partners Dinner	Level 23, Rialto	AD	60
18 August	Sofitel Classically Chocolate Afternoon Tea	Sofitel Hotel	AD	70
21 August	Discover Recitative and Aria	Horti Hall	AD	60
30 August	University House Dinner and Concert	University House, University of Melbourne	AD	150
31 Aug – 2 Sep	Davos Australian Leadership Retreat	Hayman Island (2 Performances)	AD	350
7 Sept	St Kevin's College Past Mothers Association	St Kevin's College	AD	380
15 Sept	Sofitel Classically Chocolate Afternoon Tea	Sofitel Hotel	AD	70
16 Sept	RACV Afternoon Recital	RACV Club (Bourke St)	AD	460
6 October	Così fan tutte	Clocktower Theatre Moonee Ponds	RP	489

8 October	Così fan tutte	Box Hill Town Hall	RP	420
11 & 13 October	Così fan tutte	Paradise Palladium Opera House Morundah	RP	830
16 & 18 October	Così fan tutte	Esso BHP Billiton Wellington Entertainment Centre, Sale	RP	369
20 October	Così fan tutte	The Capital Theatre Bendigo	RP	472
23 October	Così fan tutte	Westside Performing Arts Centre Mooropna	RP	184
25 & 27 October	Così fan tutte	Frankston Arts Centre Frankston	RP	1114
26 October	John Cage Musicircus (Melb. Fest.)	BMW Edge	AD	500
30 October & 1 November	Così fan tutte	Geelong Performing Arts Centre Geelong	RP	1496
3 November	Così fan tutte	Warrnambool Performing Arts Centre Warrnambool	RP	326
6 November	Così fan tutte	Her Majesty's Theatre Ballarat	RP	506
20 November	Discover Victorian Opera 2008	Horti Hall	AD	36
27 November	Ian Potter Music Commission	Blue Diamond, Queen Street	AD	100
13 December	Melbourne Cricket Club Committee Christmas Party	Members Club Dining Room, Melbourne Cricket Ground	AD	100
17 December	Australian German Association AGM and Cocktail Function	Horti Hall	AD	70

MP - Mainstage Program

RP - Regional Program

EP - Education Program

AD - Audience Development and External Events Program

Audience Attendance

	2006 Attendances	2006 Performances	2007 Attendances	2007 Performances
Mainstage Attendances	8,628	7	8,779	7
Regional Attendances	-	-	6206	14
Audience Development and External Events Program	310	3	6007	25
Education Program	1309	5	1464	5
Total	10,247	15	22,456	55

About the Company

Mainstage Program

One of the reasons Victorian Opera was established was to provide more professional opera in Victoria and to supplement the existing Opera Australia Melbourne seasons. Over time, it is expected that Victorian Opera will build a distinctive profile based on our repertoire, performance values and production style. We intend to differentiate ourselves through our:

- approach to the production of traditional repertoire through the use of intimate venues, the engagement of high profile Australian and international artists from a range of disciplines, and our casting, direction and design decisions
- selection of less traditional repertoire
- commitment to the commissioning and production of new work.

In 2007, our Mainstage Program featured a concert performance of Stravinsky's *Les Noces/Oedipus Rex*; the world premiere of the new Australian chamber opera, *The Love of the Nightingale* by Richard Mills and Timberlake Wertenbaker, and Gluck's *Orphée et Eurydice*.

Regional Program

Victorian Opera is determined to bring high quality opera to all Victorians no matter where they live. Regional performance and education is one of the cornerstones of Victorian Opera and one of the reasons why the company was established.

Following extensive planning in our first year of operation in 2006, we presented our inaugural Regional Program: a month-long regional Victorian tour of our acclaimed production of *Così Fan Tutte* in October/November 2007.

The tour comprised a total of 14 performances, most of which sold out. This extended regional tour was made possible through support by the Victorian Government through Arts Victoria's Major Touring Initiative.

Commissioning Program

A key element of our artistic vision is to establish and maintain a commissioning and presentation program for new Australian operatic work in the form of chamber opera, and to position Victoria nationally and internationally as a centre for new operatic work. Victorian Opera is the only opera company in Australia to have a detailed and structured plan for the regular presentation of new work from Australian composers and librettists.

Our 2006 season presented Brian Howard's *Metamorphosis* in concert; 2007 saw Richard Mills' *The Love of the Nightingale* feature in the mainstage season and Victorian Youth Opera perform Grahame Dudley and Nick Enright's *Snow Queen*; and in 2008 Victorian Opera will present *Through the Looking Glass* by Alan John and Andrew Upton after Lewis Carroll in partnership with Malthouse Theatre, together with a Victorian Youth Opera Production of Malcolm Williamson's *The Happy Prince*.

Artist Development Program

The Victorian Opera Artist Development Program, which is supported by John Holland Group as Principal Sponsor and Lady Potter AC as Principal Patron, offers specialised training and performance opportunities for a small group of talented young singers and conductors, preparing them for the career of a professional operatic artist.

After extensive auditions of hundreds of aspiring singers, répétiteurs and conductors in 2006 and 2007, five exceptionally talented young performers were selected to take part in the inaugural 2006/2007 Artist Development Program:

Jacqueline Porter	Soprano
Myllinda Joyce	Soprano
Sarah Cole	Mezzo-soprano
Samuel Dundas	Bass-baritone
Nicholas Carter	Conductor/répétiteur

These young artists undertook a demanding schedule of intensive study in performance, language, stagecraft and other elements of operatic performance, alongside concerts, roles and understudies as part of our professional season. They were engaged full-time on an Award weekly salary for four months from July to October 2006 and for a similar period in 2007, and we intend to have an ongoing developmental relationship with them.

Audience Development & External Events Program

Developing and growing audiences for opera in Victoria is another key element of our charter and this aim is reflected in all of our activities, but particularly through our *Discover Opera* series, *Sing Your Own Opera*, and by performing at a wide range of community and corporate events.

In 2007, our inaugural *Discover Opera* program featured seven well-attended musical seminars at Horti Hall, led by Richard Gill and examining the themes, music and artists of the season. Our community sing-along for would-be opera singers, *Sing Your Own Opera*, at the Melbourne Town Hall was the hoped-for instant success and will go on to become an annual event.

We also spread the word about Victorian Opera by performing at 15 externally-arranged events ranging in size from 60-1500 people from many walks of life, exposing a further 6,000 to opera and to us in 2007.

Education Program

Alongside our Artist Development Program for young professional artists, Victorian Opera has established an Education Program, which so far has focussed on identifying and encouraging talented young artists at school or university level through our Victorian Youth Opera initiative.

Victorian Youth Opera aims to identify, develop and nurture a talent-pool of performers including singers, conductors, répétiteurs, directors, designers (sets, costumes and lighting), stage managers, and youthful writers and composers.

We began our commitment to educational training with our productions of *Noye's Fludde* (2006) and *Snow Queen* (2007). An on-going relationship has also now been established with the Victorian College of the Arts School of Production and The University of Melbourne's Faculty of Music from which come a team of supervised students working on all aspects of a production.

Other education activities in 2007 included providing:

- special ticket prices for school groups for all productions
- a comprehensive 40-page Victorian Opera Teacher's Kit for the Victorian Opera's production of Gluck's *Orphée et Eurydice* which was performed at Her Majesty's Theatre in August. It provided a wealth of information at a number of levels for students who have interests in music, dance, drama and theatre generally.

About the Company

Board of Directors

Michael Roux, Chairman

Francis Ebury	Ross Freeman	Margaret Gardner
Merlyn Quaife	Barry Sheehan	Graeme Willersdorf

Artistic Advisory Panel

Chair: Merlyn Quaife

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

Staff

Music Director	Richard Gill OAM
General Manager	Anne Frankenberg
Philanthropy and Endowment Manager (to October 07)	Pauline Ashleigh-Marum
Executive Assistant & Office Administrator	Leonie Cambage
Patrons Manager (from October 07)	Kathie Convery
Finance Manager	Lucy Evans
Sponsorship Manager (to November 07), then Development and Marketing Manager (from December 07)	Alex Furman
Artistic Administrator	Kylie McRae
Head of Music	David McSkimming
Production Manager	Jane Millett
Development Co-Ordinator (from December 07)	Amy Moon

Marketing Consultant	Richard Blackman Design
Publicity Consultant (to October 07)	Kerry O'Brien
Communications Consultant (from December 07)	Rée Izett
Special Events Consultant	Markus Neilson

VO Season Staff 2007

Tour/Production Manager	David Harrod
Database/Ticketing	Amy Moon
Events	Kathie Convery, Sue Sweetland
Repetiteurs	Andrea Katz, Dean Sky-Lucas
Office Administration	Jill Quin, Bebe Southby
Stage Management	Amos, Karen Farmer, Edwina Guinness, Martina Murray, Allana Sheard, Bebe Southby

Victorian Opera Artists 2007 Season

Creative Artists

Jon Buswell Lighting Designer, *Così fan tutte*

Nicholas Carter Assistant Conductor & Chorus Master, *Orphée et Eurydice*; Conductor, *Snow Queen*, *Così fan tutte*

Matthew Coorey Conductor, *Orphée et Eurydice*

Jon Davey Associate Lighting Designer *The Love of the Nightingale*

Peter England Set Designer, *Orphée et Eurydice*

Richard Gill Conductor, Stravinsky Double Bill, *The Love of the Nightingale*

Kate Hawley Costume Designer, *The Love of the Nightingale*

Margrete Helgeby Assistant Director, *The Love of the Nightingale*

Lindy Hume Director, *The Love of the Nightingale*

Nigel Levings Lighting Designer, *The Love of the Nightingale*

Paula Levis Costume Designer, *Orphée et Eurydice*

Talya Masel Assistant Director, *Orphée et Eurydice*; Revival Director, *Così fan tutte*

Jean-Pierre Mignon Director, *Così fan tutte*

Jane Millett Director, *Snow Queen*

Richard Mills Composer, *The Love of the Nightingale*

Harriet Oxley Set & Costume Designer, *Snow Queen*

Stephen Page Director, *Orphée et Eurydice*

Dan Potra Set Designer, *The Love of the Nightingale*

Kingsley Reeve Sound Designer, *The Love of the Nightingale*

Matt Scott Lighting Designer, *Orphée et Eurydice*

Christina Smith Set & Costume Designer, *Così fan tutte*

Timberlake Wertebaker Librettist, *The Love of the Nightingale*

Principals

Lee Abrahmsen Soloist, *Sing Your Own Opera*

Ranil Cabraal Itys, *The Love of the Nightingale*

Elizabeth Campbell Niobe/Nurse/Narrator, *The Love of the Nightingale*

Annabelle Chaffey Helen/Phaedra, *The Love of the Nightingale*

Sarah Cole Iris/Female Chorus, *The Love of the Nightingale*

Sarah Crane Hero, *The Love of the Nightingale*

Jacqueline Dark Dorabella, *Così fan tutte*

Samuel Dundas Second Soldier, *The Love of the Nightingale*; Guglielmo, *Così fan tutte*

James Egglestone Captain/Hippolytus/Narrator, *The Love of the Nightingale*; Ferrando, *Così fan tutte*

Kirsti Harms Soloist, *Les Noces*, Stravinsky Double Bill

David Hibbard Creon, Stravinsky Double Bill

Roxane Hislop Jocasta, *Oedipus Rex*, Stravinsky Double Bill; June/the Queen, *The Love of the Nightingale*

Anke Höppner Procne, *The Love of the Nightingale*

Alison Rae Jones Eurydice, *Orphée et Eurydice*

Myllinda Joyce Fiordiligi, *Così fan tutte*

Leanne Kenneally Philomele, *The Love of the Nightingale*

Jerzy Kozłowski Soloist, *Les Noces*, Stravinsky Double Bill

Adrian McEniery First Soldier/King Pandion, *The Love of the Nightingale*

Douglas McNicol Tereus, *The Love of the Nightingale*

Jacqueline Porter Amour, *Orphée et Eurydice*; Despina, *Così fan tutte*

Joshua Rowe Ensemble, *The Love of the Nightingale*

Gary Rowley Don Alfonso, *Così fan tutte*

Christopher Saunders Soloist, *Les Noces*, The Shepherd, *Oedipus Rex*, Stravinsky Double Bill

Susanne Shakespeare Soloist, Sing Your Own Opera

Dimity Shepherd Soloist, *Les Noces*, Stravinsky Double Bill; Orphée, *Orphée et Eurydice*

Katrina Sheppeard Echo/Aphrodite, *The Love of the Nightingale*

Stephen Smith Ensemble, *The Love of the Nightingale*

John Stanton Narrator, *Oedipus Rex*, Stravinsky Double Bill

Leon Warnock Ensemble, *The Love of the Nightingale*

Jason Wasley Oedipus, *Oedipus Rex*, Stravinsky Double Bill

Bernard Wheaton Ensemble, *The Love of the Nightingale*

Artist Development Program

Nicholas Carter

Sarah Cole

Samuel Dundas

Myllinda Joyce

Jacqueline Porter

Musicians, Repetiteurs & Language Coaches

Nancy Calò Italian Language Coach, ADP

Stefan Cassomenos Soloist, *Les Noces*, Stravinsky Double Bill; Synthesiser, *The Love of the Nightingale*

Adrian Dimitrievitch Dance/Movement Coach, ADP

Wendy Grose French Language Coach, ADP

Andrea Katz Soloist, *Les Noces*, Stravinsky Double Bill; Repetiteur & French Language Coach, *Orphée et Eurydice*

Mitchell Leigh Repetiteur, *The Love of the Nightingale*

Stephen McIntyre Soloist, *Les Noces*, Stravinsky Double Bill

David McNicol Repetiteur, ADP

David McSkimming Soloist, *Les Noces*, Stravinsky Double Bill; Repetiteur & Piano, *The Love of the Nightingale*; Repetiteur, *Così fan tutte*

Talya Masel, Acting Coach, ADP

Patrick Miller Offstage Conductor; *The Love of the Nightingale*

Mary Ryan German Language Coach, ADP

Phillipa Safey Organ, *The Love of the Nightingale*

Dean Sky-Lucas Repetiteur, *Orphée et Eurydice*, *Così fan tutte*

Raymond Yong Sound Desk, *The Love of the Nightingale*

About the Company

2007 Victorian Opera Chorus

Margaret Arnold	Cheryl MacDonald
Jonathon Bam	Oliver Mann
Robert Beasley	Anna Margolis
Jonathan Bode	Lynore McWhirter
Kerrie Bolton	Simon Meadows
Gaetano Bonfante	Laurence Meikle
Heather Brooks	Maxine Montgomery
Rebecca Bywater	William Ness
Joanne Carroll	Jessica O'Bryan
Gwen Casey	Bryan O'Connell
Edmond Choo	Daniel O'Connell
Anna-Louise Cole	Jane O'Toole
Steven Crosby	Belinda Paterson
Matthew Davine	Alexander Pokryshevsky
Irving Dekterev	Dmitri Pronin
Thomas Drent	Robert Ratcliffe
Melanie Duncan	Timothy Reynolds
Donna-Maree Dunlop	Graeme Russell
Martha George	Suzanne Shakespeare
Michael Gillies-Smith	Nicholas Sharman
Angus Grant	Diana Simpson
Adrian Hall	Edward Smith
Paul Hughes	Randall Stewart
Christina Jonas	Garth Stewart
Kevin Kelley	Adrian Tamburini
Fiona Keys	Julie Torpy
Joseph Kinsela	Peter Tregear
Lydia Klimek	Emily Uhrich
Alister Lamont	Charis Vanaelst
Martin Lane	Beth Walkenhorst
Michael Lapina	Brendon Wickham
George Liakatos	Lynlee Williams
Yang Liu	Julian Wilson
Rebecca Long	Cecily Woodberry
Robin Luke	

Supernumeraries (*The Love of the Nightingale*)

Luke Batziris	James Bawden	Robert Shook
---------------	--------------	--------------

Dancers (*Orphée et Eurydice*)

Emily Amisano	Fiona Cameron	Jade Dewi
Amber Haines	Elissa Lee	Ingrid Weisfelt

2007 Victorian Youth Opera

Stacey Alleaume	Hilary Cole	Alexandra Mathew
Kate Amos	Alastair Cooper-Golec	Rebecca Moret
Alice Backwell	Olivia Cranwell	Jessica Morrison
Penelope Bates	Ella Doherty	Emily Mulholland
Samantha Beer	Tess Duddy	Anna O'Byrne
Oliver Bell	James Emerson	Marianne Pierce
Paul Bentley	Stephanie Falkiner	Loredana Ricchetti
Emily Blanch	Eamonn George	Samantha Robertson
Samuel Briggs	Amelia Goff	Laura Slavin
Mandy Brook	Sally Goode	Christian Smith
Georgia Brooks	Alexandra Harrison	Brenton Spiteri
Nathan Camilleri	Timothy Jaques	Jeremy Tate
Hannah Campbell	Ally Larielle	Emily Thomson
Nicole Car	Jared Larielle	Janet Todd
Christian Charisiou	Trevor Maitland	Jake Weatherson

Victorian Youth Opera Orchestra

Strings		
1st Violin	Edwina Hookey (Principal)	
	Felicite Heine	Emma Hunt
	Fabiana Weiner	
2nd Violin	Fiona Doig (Principal)	
	Sophie Hudgell	Kristen Rowlands
	Larissa Weller	
Viola	Christa Jardine (Principal)	
	Phoebe Green	
Cello	Rebecca Proietto (Principal)	
	Claudia Douglas	Aaron Yeoh
Double Bass	Dorit Herskovits	
Flute	May-Kim Tan	
Cor Anglais	Amanda Lyons	
Contra Bass Clarinet	Jacquie Fordham	
Clarinet	Toby Gross	
Piccolo	Alexandra Presser	
Bassoon	Matthew Kneale	
Oboe	Tilly Junker	
Bass Clarinet	Sam Dunscombe	
Trumpet	Anthony Frantz	Dimitri Willenberg
French Horn	Joel Carnegie	Rob McMillan
Percussion	Laura Holian (Timpani/Percussion)	
	Fiona Ly	Sean Waite
Trombone	Stewart Armitage	
Tuba	Per Forsberg	

Victorian College of the Arts School of Production Students

Stage Manager	Edward Dowling
Assistant Stage Managers	Lisette Drew, Kristy Mayer, Stephanie Miles
Orchestra Manager/ASM	Carrie Burnham
Lighting Designer	Katie Sfetkidis
Lighting Design Assistant	Stephen Luke
Lighting Operator	Harrison Cope
Set Manager	Ashlea O'Brien
Set Assistant	James Russell
Costume Manager	Julia Smith
Costume Assistant	Susan Handasyde
Costume Design Assistant	Zohie Castellano
Scenic Artists	Lauren Redpath
Props Maker	Elise Brokensha

Patrons

Victorian Opera acknowledges with great appreciation the donations received from the following patrons, 1st January-31st December 2007:

Patron-in-Chief

Professor David de Kretser AC
Governor of Victoria

Founding Patrons

Dame Elisabeth Murdoch AC DBE
Lady Potter AC

Diamond Patrons (\$10,000 or more)

Betty Amsden OAM
Lady Hamer
Hans & Petra Henkell
Dame Elisabeth Murdoch AC DBE
Jeanne Pratt AC & Richard Pratt AC
Anonymous (1)

Platinum Patrons (\$5,000 to \$9,999)

William J Forrest AM
Michael & Veronica Roux

Gold Patrons (\$2,500 to \$4,999)

Patricia Armstrong-Grant
Laurie Bebbington & Elizabeth O'Keeffe
Beth Brown & Tom Bruce AM
Peter Griffin
Eduard & Marj Eshuys
Hartmut & Ruth Hofmann
Dr George Lefroy & Joan Lefroy
Colin Lovitt QC
Norman Pollack
Michael Rigg
Schiavello Vic Pty Ltd
David J Smith
Dr Christopher Selby-Smith & Mrs Joy Selby-Smith
Prof Mel Waters & Nina Waters
Dr Elizabeth Xipell
Peter W Yates

Silver Patrons (\$1,000 to \$2,499)

Peter Allen	Peter Geyer	Dr Gill Palmer
Maryclare Anson	Brian Goddard	Merlyn Quaife
Isla Baring	Nance Grant MBE & Ian Harris	Hugh Rogers AM
John & Julie-Anne Barnes	Isabella & Richard Green	Elżbieta & Tomasz Romanowski
Dr Simon Bell &	Hartley Higgins	Mary Ryan
Jennifer Coghlan-Bell	Penelope Hughes	Aubrey Schrader
George & Sybil Bindley	Robert L Hughes	Bernadette Slater
Jeffrey & Debbie Browne	Stuart Jennings	Ian Slater
Jasmine Brunner	Diana Jones AM DSJ	Darien Sticklen
Bruce Curl	John & Lynne Landy	Betty Teltscher OAM
Mary & Frederick Davidson	Dr Anne Lierse	Liz & Peter Turner
Nola & Ernest Dawes OBE	Hugh Morgan AC	Caroline Vaillant
Jean-Yves Didier	Gerald Moriarty	Ian Watts
Stephanie Dundas	Dr Kenneth Muirden	Earl & Countess of Wilton
Jerry & Ann Ellis	Diana Mummé	
Rosemary Forbes &	Lady Nossal	
Ian Hocking	Jack & Helen O'Connell	

Supporters (to \$999)

Frank & Valma Allaway	Pauline Hastings	Phillip & Moria Robinson
Zita Ballock	B B Hewitt	Paul & Gay Rosen
Adrian Barrett	Peter Holloway & Ken Falconer	Barbara Rounsevell
Jeffrey Busby & Louise Bradley	Joe Incigneri	Leonie Salmons
Graham Buckett	Dr Barry Jones AO	Joe Sambrook & Mary-Jane Gething
Karin Butterfield	Barbara Kilfoyle	Dr John Scott
Pam Caldwell	Dr Phillip Lind	Sue Sherman
Elizabeth Carvosso	Fiona McConnell	Eva Somogyi
Gabrielle Cash	Dr Barry Miskin	Janet & John Stanley
Terry A Campbell AO	Alan Maranville	Norman Stevens
Annette Cook	Weston Moorhouse	Barbara Sturmfels
Violet Crimeen	Dr Anne Myers	Wanda Summers
Muriel Dale	Maria Myers	Les Thurgood
Beverley Davis	Helen Norman	Jeffrey Turnbull
Muriel Dale	Alan Nuzum	Joy Warr
Elizabeth Duffield	Rosemary Oxer	Steven Wharton
Robert Garlick	George & Jill Pappas	Jennifer Whitehead
Vivienne Grainger	Greg Payne	Dr John Wright-Smith
Dr Anthony Grigg	Lynette Payne	Oscar Zentner &
A.W. Gunther	Denise Pedrotti	Maria-Ines Rotmeiler Zentner
Aileen Halloran	Raymond Pinkerton	Anonymous (1)
Ingrid & Manfred Handel	John & Marion Poynter	
Susan Harley	Dr Denis Robertson	

Government Partner



University Partner



Major Partner & Principal Sponsor Artist Development Program



Foundation Partner



Regional Partner



Performance Partners



Media Partner



Supporting Partners



Touring Partner

The extended regional tour was made possible through support by the Victorian Government through Arts Victoria's Major Touring Initiative.

Sing your Own Opera Partner



Supporters

Victorian Opera gratefully acknowledges the following companies who have provided support for its activities: Australian National Academy of Music, Henkell Wines, Infullbloom, KPMG, Richard Blackman Design, Saville Hotel Group and The Arts Centre.

The directors submit their report for the year ended 31 December 2007.

Directors

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

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

Name	Qualifications & Special Areas of Interest	Special Areas of Interest	Appointed
Michael Roux	B.Ec (Hons) (Monash), MSIA, FAICD.	Chairman of the Board	October 2005
R.Graeme Willersdorf	B.Eng (Civil) (Melb)	Deputy Chairman, Chairman of the Audit Committee	October 2005
Barry Sheehan	BComm, BEd (Melb), MA, PhD (Lon), FACE.	Member of the Audit Committee	October 2005
Merlyn Quaife	BA, Dip Ed, AMusA.	Chairwoman of the Artistic Advisory Committee	October 2005
Francis Ebury	PhD (Melb).		June 2007
Ross Freeman	BComm, LLB (Melb).	Member of the Audit Committee	June 2007
Margaret Gardner AO	BEcon (Hons), PhD Syd, DUniv Griffith, FAIM, GAICD.		July 2007

Nature of Operations and Principal Activities

The principal activity during the period was:

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

Review And Results of Operations

During the year the company made an operating profit after income tax of \$134,661.

Government Funding Arrangements

Funding for the year ended 31 December 2007 comprises funding from the State Government of Victoria through Arts Victoria and the University of Melbourne. In 2007 project funding was received from the City of Melbourne.

State of Affairs

This is the Victorian Opera Company Ltd's second period of operation.

Attestation

The Victorian Opera is developing risk management processes consistent with the Australian/New Zealand Risk management Standard and an internal control system that enables the Board to understand, manage and satisfactorily control risk exposures. The audit committee will critically review the risk profile of Victorian Opera annually and verify assurances.

Directors' Report

Annual Financial Report

Environmental Regulation

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

Significant Events After the Balance Date

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

Likely Developments

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

Indemnification of Officers

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

Insurance of Officers

The Company has paid premiums for the year ended 31 December 2007, in respect of Directors' and Officers' liability, legal expenses and insurance contracts. Since the end of the period, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ended 31 December 2008. Such insurance contracts insure persons who are or have been directors or officers of the company against certain liabilities (subject to certain exclusions).

Related Party Transactions

During 2007, the Victorian Opera provided performance services to Michael Roux for a Christmas function to which the staff of Victorian Opera was invited. Victorian Opera also provided performance services to Australian Davos Connection, a not-for-profit organisation of which Michael Roux is Executive Chairman. These services were part of Victorian Opera's commercial activities. Michael Roux is Chairman of the Victorian Opera.

The Victorian Opera also provided performance services to Minter Ellison, one of its sponsors, as part of these same activities. This sponsorship includes the provision of legal advice. Ross Freeman is a partner at Minter Ellison and a director of the Victorian Opera.

Signed in accordance with a resolution of the directors.



Michael Roux
Director

Signed at Melbourne this 4th day of March 2008.

Income Statement

For the Year Ended 31 December 2007

	Notes	2007 \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES			
Funding revenue	2	2,180,164	2,325,000
Box office revenue and performance fees	3	617,778	348,345
Sponsorship and donation revenue	4	855,757	464,525
Other Income	5	102,538	7,095
		<u>3,756,237</u>	<u>3,144,965</u>
EXPENSES FROM OPERATING ACTIVITIES			
Wages and salaries	6	1,819,136	1,084,405
Marketing and development expenses		476,838	377,825
Production expenses		996,513	479,887
Administration expenses		329,089	222,956
TOTAL EXPENSES		<u>3,621,576</u>	<u>2,165,074</u>
(PROFIT) / LOSS FOR THE YEAR		<u>134,661</u>	<u>979,891</u>

Balance Sheet

As at 31 December 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents		1,139,834	921,956
Trade and other receivables	8	67,606	55,611
Prepayments	9	135,562	147,851
TOTAL CURRENT ASSETS		<u>1,343,002</u>	<u>1,125,417</u>
NON-CURRENT ASSETS			
Plant & equipment	10	130,497	76,000
TOTAL NON-CURRENT ASSETS		<u>130,497</u>	<u>76,000</u>
TOTAL ASSETS		<u>1,473,499</u>	<u>1,201,418</u>
CURRENT LIABILITIES			
Payables	11	257,640	110,063
Employee benefits	12	99,007	18,303
Income in advance	13	2,300	86,619
TOTAL CURRENT LIABILITIES		<u>358,947</u>	<u>214,985</u>
Employee benefits		-	6,542
TOTAL NONCURRENT LIABILITIES		<u>-</u>	<u>6,542</u>
TOTAL LIABILITIES		<u>358,947</u>	<u>221,527</u>
NET ASSETS		<u>1,114,552</u>	<u>979,891</u>
EQUITY			
Reserves		900,000	900,000
Retained earnings		214,552	79,891
TOTAL EQUITY		<u>1,114,552</u>	<u>979,891</u>

Statement of Cashflows

For the Year Ended 31 December 2007

	Notes	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		597,635	405,355
Cash payments in the course of operations		- 3,301,060	- 2,211,627
Grants received from funding bodies		2,180,164	2,625,000
Sponsors and donations		758,082	178,287
Interest paid		-	-
Interest received		72,849	6,405
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	307,670	1,003,420
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant and Equipment		- 89,792	- 81,464
NET CASH FLOWS FROM INVESTING ACTIVITIES		- 89,792	- 81,464
NET INCREASE IN CASH HELD		217,878	921,956
Add opening cash as at 1 Jan 2007		921,956	-
CLOSING CASH as at 31 December 2007		1,139,834	921,956

Reconciliation of cash

For the purpose of the statement of cashflows, cash includes cash on hand and at bank and short term deposits at call.

Cash at the end of the year as shown in the statement of cashflows is reconciled to the related items in the Balance Sheet as follows:

Petty Cash	1,000	1,000
Cheque Account	104,125	78,350
Undeposited Funds	4,222	10
Investment Account	685,694	752,136
VO Trust Chq Account	-	-
VO Trust Investment Account	334,355	84,935
Salary Packaging Account	10,438	5,525
	1,139,834	921,956

Statement of Change in Equity

For the Year Ended 31 December 2007

	General Reserve	Special Reserve	Retained Earnings	TOTAL EQUITY
CAPITAL AND RESERVES				
Balance as at 1 January 2007	700,000	200,000	79,891	979,891
Total recognised income and expenses			134,661	134,661
Transfers	-	-	-	-
Balance at 31 December 2007	700,000	200,000	214,552	1,114,552

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

The Special Reserve has been established to assist the company to manage artistic and financial risk.

1. Statement of Significant Accounting Policies

The Victorian Opera Company Ltd (the "Company") is a company limited by guarantee domiciled in Australia. The financial report was authorised for issue by directors on 2 March 2008.

(a) Statement of compliance

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

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

(b) Basis of preparation

The financial report is presented in Australian dollars.

The financial report is prepared on the historical cost basis.

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

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company.

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

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

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

(c) Property, plant and equipment

(i) Owned assets

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

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

(ii) Depreciation

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

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

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

(d) Trade and other receivables

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

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes to Financial Statements

(f) Impairment

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

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

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

(i) Calculation of recoverable amount

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

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

(ii) Reversal of impairment

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

(g) Employee benefits

(i) Defined contribution plans

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

(ii) Long-term service benefits

The Company's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations. This obligation is accrued from the employee's fifth year of service.

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

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

(h) Provisions

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

(i) Trade and other payables

Trade and other payables are stated at cost.

(j) Revenue

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

(i) Performance revenue

Performance revenue is recognised at the time of the performance.

(ii) Funding revenue

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

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

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

Funding revenue is recognised when due under the terms of the funding agreement.

Special purpose funding, which requires the Company to fulfil an obligation outside its normal operations, is recognised at the time the obligation is fulfilled.

(iii) Interest revenue

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

(iv) Donation revenue

Donation revenue is recognised upon receipt.

(v) Sponsorship revenue

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

(vi) Sale of non-current assets

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

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(k) Expenses

Operating lease payments

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

(ii) Goods and services tax

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

(l) Taxation

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

(m) Comparatives

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

(n) Financial Year

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

Notes to Financial Statements

For the Year Ended 31 December 2007

Note	2007 \$	2006 \$
2 GOVERNMENT FUNDING REVENUE		
Revenue from funding bodies (grants)		
- Arts Victoria Annual Grant	2,076,000	2,325,000
- Arts Victoria Regional Touring	100,000	
- Melbourne City Council	4,164	
TOTAL FUNDING REVENUE	2,180,164	2,325,000
There has been some reclassification of funding sources to reflect current practice and ensure meaningful comparisons across years.		
3 BOX OFFICE & PERFORMANCE INCOME		
Box Office	352,321	323,257
Performance Fees	237,214	2,400
Program & Merchandise Sales	22,730	14,908
Other Performance Income	5,513	7,780
TOTAL BOX OFFICE & PERFORMANCE INCOME	617,778	348,345
4 SPONSORSHIP, PHILANTHROPIC & DONATION REVENUE		
Corporate Sponsorship	442,214	226,150
Donations	249,907	138,375
Philanthropic		
- Robert Salzer Foundation	125,000	100,000
- Other Philanthropic	20,000	
Other fundraising income	18,636	
TOTAL SPONSORSHIP, PHILANTHROPIC & DONATION REVENUE	855,757	464,525
5 OTHER INCOME		
Interest received	72,849	6,405
Venue hire	28,687	690
Other	1,002	
TOTAL OTHER INCOME	102,538	7,095
6 PERSONNEL EXPENSES		
Artist & production salaries	1,289,317	701,238
Administration & marketing	370,926	265,848
Oncosts - Superannuation & Workers Compensation expense	158,893	117,319
TOTAL PERSONNEL EXPENSES	1,819,136	1,084,405
7 AUDITORS' REMUNERATION		
Auditors of the company - Chaundy and Henry, receive \$10,000 consideration for the audit of the company. Other services nil (\$0).		

Note	2007 \$	2006 \$
8 RECEIVABLES (CURRENT)		
Trade debtors	24,811	26,274
Accrued income	-	625
Other debtors	-	-
GST receivable	42,795	28,712
	67,606	55,611
9 PREPAYMENTS		
Insurance paid in advance	3,985	3,563
Security bond deposits	15,548	16,953
Other prepayments	116,029	127,335
	135,562	147,851
10 PLANT & EQUIPMENT		
Office equipment	73,925	61,510
Accumulated depreciation	- 24,363	- 4,320
Furniture equipment	19,698	4,434
Accumulated depreciation	- 1,411	-
Production equipment	40,322	7,941
Accumulated depreciation	- 7,856	- 1,145
Leasehold improvements	35,149	7,580
Accumulated depreciation	- 4,967	-
Total plant & equipment	130,497	76,000
11 PAYABLES (CURRENT)		
Trade creditors	10,468	15,065
Other creditors and accruals	229,357	84,636
Grants in advance	-	4,164
GST Payable	17,815	6,198
	257,640	110,063

Notes to Financial Statements

Note	2007 \$	2006 \$
12 EMPLOYEE BENEFITS LIABILITY		
Current	99,007	18,303
Noncurrent		6,542
	<u>99,007</u>	<u>24,845</u>
Number of Employees		
As at 31 December	11	10
Note: the number of employees varies throughout the year, as the company employs artistic and production staff on short-term contracts. The number of staff at year end represents core staff.		
Superannuation Plans		
The company contributes to a number of contribution employee superannuation plans.		
13 INCOME IN ADVANCE		
Subscriptions in advance	-	72,857
Other income in advance	2,300	13,762
	<u>2,300</u>	<u>86,619</u>
2008 Subscriptions have been managed by Ticketmaster.		
14 STATEMENT OF CASH FLOWS		
(a) Reconciliation of the operating profit after tax to the net cash flows from operations		
Operating profit after tax	134,661	979,891
Add Non-cash items		
Depreciation	35,294	5,465
	<u>169,955</u>	<u>985,356</u>
Changes in assets and liabilities		
(Increase) / decrease in trade receivables	2,088	- 26,899
(Increase) / decrease in prepayments & bonds	14,724	- 147,850
(Increase) / decrease in GST receivable	- 2,465	- 22,515
Increase / (decrease) in trade creditors	- 4,597	15,065
Increase / (decrease) in accruals	163,508	65,850
Increase / (decrease) in employee liabilities	52,940	24,845
Increase / (decrease) in other liabilities	-	18,787
Increase / (decrease) in income received in advance	- 88,483	90,783
Net cash flow from (used in) operating activities	<u>307,670</u>	<u>1,003,420</u>

15 ADDITIONAL DISCLOSURES

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

16 EVENTS SUBSEQUENT TO BALANCE DATE

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

INDEPENDENT AUDIT REPORT

To the members of Victorian Opera Company Ltd



**Chaundy
& Henry**
CHARTERED ACCOUNTANTS
A.B.N. 50 175 251 428

P. W. Selkrig F.C.A.
D. A. Manton F.C.A.

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of cash flows, statement of change in equity, accompanying notes to the financial statements, and the directors' declaration for Victorian Opera Company Ltd for the year ended 31st December 2007.

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

Audit approach

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

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

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

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

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

"Celebrating fifty years in the profession"

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

A.B.N. 90 605 648 024
Liability limited by a scheme approved under Professional Standards Legislation

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

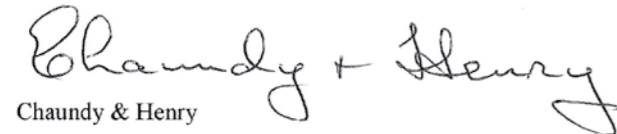
Independence

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

Audit opinion


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

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Victorian Opera Company Ltd at 31st December 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.


Chaundy & Henry



D. A. MANTON
Partner

Dated this  day of March 2008



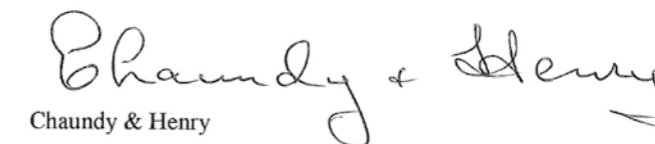
**Chaundy
& Henry**
CHARTERED ACCOUNTANTS
A.B.N. 60 175 251 428

P. W. Selkrig F.C.A.
D. A. Manton F.C.A.


AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Victorian Opera Company Ltd

In relation to our audit of the financial report of Victorian Opera Company Ltd for the financial year ended 31st December 2007, 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.


Chaundy & Henry


D. A. MANTON
Partner

Dated this  day of March 2008

"Celebrating fifty years in the profession"

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

Liability limited by a scheme approved under Professional Standards Legislation

Directors' Declaration

Right: *The Love of the Nightingale*,
27 & 29 July 2007.
Photo by Rob Maccoll.

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

In the opinion of the directors:

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

(i) giving a true and fair view of the company's financial position as at 31 December 2007 and of the performance for the 12 months ended on that date; and

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

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

On behalf of the Board



Michael Roux
Chairman

Melbourne
2nd March 2008.





Victorian
Opera

Victorian Opera Company Ltd

ABN 56 116 549 798

Horti Hall

31 Victoria Street, Melbourne VIC 3001

PO Box 524, Carlton South VIC 3053

Telephone: +61 3 9001 6400

www.victorianopera.com.au