

Victorian Opera Company Ltd

ABN 56 116 549 798

Financial Statements

For the Year Ended 31 December 2024

Victorian Opera Company Limited

ABN 56 116 549 798

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For the Year Ended 31 December 2024

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Victorian Opera Company Limited

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Directors' Report
31 December 2024

The directors present their report on Victorian Opera Company Limited for the financial year ended 31 December 2024.

(a) General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Genevieve Overell AM

Qualifications	BA, LLB, Grad Dip Fin Mgt, FAICD, FGIA, FIPAA
Experience	Genevieve is an independent Company Director, Audit Committee Chair and trusted adviser. Formerly Head of Government Advisory at Deutsche Bank Australia, senior executive in the Victorian Government and KPMG Partner, Genevieve brings multi-sectoral experience and legal background in major infrastructure projects, property and construction, financial services, trade and investment and government projects.
Other Board appointments	Chair of Victorian Opera Company Ltd since 2018, Genevieve chaired Global Infrastructure Hub Audit Risk & Compliance Committee (until Sept 2024) and is Deputy Chair of Australian British Chamber of Commerce. Genevieve also serves on the Boards of Cladding Safety Victoria, Northwest Melbourne Primary Healthcare Network and the Victorian Comprehensive Cancer Centre Alliance and is an Adviser to Fraiss Capital.
Other Victorian Opera committees	Genevieve is the Chair of the Board of Directors and a member of the Audit, Risk and Compliance and Artistic Committees.

Vivienne Corcoran

Qualifications	BA, Grad Dip Mktg, Grad Cert Business Research, CPM, FAICD
Experience	Vivienne is President of ICON Asia Pacific and is a member of the Port Phillip Cultural Development Committee. She has previously been Chair of the Frankston Arts Centre and the Emerging Writers' Festival. Vivienne is Managing Director of Marketing Logic, a strategic consultancy providing high level advice to a range of corporate, professional services, health and membership-based organisations. Vivienne is a published author and PhD student with Edinburgh Business School.
Other Victorian Opera committees	Vivienne is the Chair of the Marketing and Development Committee.

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Directors' Report

31 December 2024

(a) General information

Information on directors

Grant Powell

Qualifications

BEng Chem (hons), Grad Dip Applied Finance, Graduate of the Australian Institute of Company Directors.

Experience

Grant is a director of G and S Strategic Consulting, an advisory firm that provides consultancy services to corporates and small to medium businesses. Previously he was a partner at Accenture for more than 20 years working in strategy, human performance and innovation across Australia, New Zealand, Singapore, the UK and Europe. Grant is also a Director of the Alliance Française de Melbourne, the Accenture Australia Foundation and Blak Dot Art Gallery.

Other Victorian Opera committees

Grant is the Chair of the People and Culture Committee.

Selina Lightfoot

Qualifications

BA/LLB, FAICD, Grad Dip App Fin

Experience

Selina is a company director currently holding board positions across a range of industries and sectors, including with South East Water, Tasmanian Development and Resources Board, TLC Healthcare, North Melbourne Football Club and JDRF Australia. Selina has previously sat on ASX listed boards in retail, consumer products and technology and recently completed her board term with Hydro Tasmania. Her previous legal career included 10 years as a Partner at Herbert Smith Freehills, specialising in corporate law, commercial contracts and mergers and acquisitions.

Other Victorian Opera committees

Selina is a member of the Audit, Risk and Compliance and People and Culture Committees during the 2024 year.

Sharolyn Kimmorley AM

Qualifications

Bachelor of Music (Sydney Conservatorium/Sydney University)

Experience

Sharolyn has worked as the Head of Music, Artistic Administrator and Director of Music Administration for Opera Australia. Additionally, Sharolyn is currently the Artistic Manager and Artist Advisor for Melba Opera Trust.

Other Victorian Opera committees

Sharolyn is the Chair of the Artistic Committee.

Patricia Stebbens

Qualifications

BEco, Master of Applied Finance, FCA

Experience

Patricia is a partner of KPMG, a professional services firm. She has over 25 years' experience in providing audit and advisory services, predominantly in the financial services and energy and natural resources sectors. Patricia leads the IFRS and financial reporting technical group. She was previously a finance committee member of Southern Cross Aged Care Victoria and Lauriston Girls' School, and a member of KPMG Australia Partner Remuneration Nomination Committee.

Other Victorian Opera committees

Patricia is the Chair of the Audit, Risk and Compliance Committee.

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Directors' Report
31 December 2024

(a) General information

Information on directors

Richard Kurth

Qualifications	B.Sc (University of Toronto), M.Mus (University of Hartford), M.A and Ph.D (Harvard University).
Experience	Richard is currently professor of music and director of the University of Melbourne's Conservatorium of Music (MCM). In previous roles he served as professor of music and director of the School of Music at the University of British Columbia and prior to that, in teaching roles at University of Western Ontario, McGill University and Harvard University. Opera has been an active experience throughout Richard's life. He grew up in a family of singers, has performed in opera orchestras as an oboist early in his career, and has written on 20th century opera as an academic. He has served on the boards of other music organisations and is currently on the board of the Australian National Academy of Music.
Other Victorian Opera committees	Richard is a member of the Artistic Committee.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Victorian Opera Company Limited

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Directors' Report

31 December 2024

(a) General information

Company secretary

The following people held the position of Company Secretary at the end of the financial year:

Elizabeth Hill

Anna Lewis

OPERATING AND FINANCIAL REVIEW

In 2024, Victorian Opera recorded a surplus from operations of \$120,730. This compares to a deficit of \$429,823 in the prior reporting period.

Revenue for the year was \$8,653,632, a small increase on prior year revenue of \$8,557,705 and reflects the success of our 2024 season. This is particularly impressive given Victorian Opera staged fewer productions in 2024.

The following highlights reflect the Company's focus and achievements during the year:

Operations

During 2024, 43,520 audience members in total attended or viewed our programs (2023: 49,672). This drop reflects our smaller 2024 program.

Operating costs were \$8,532,902, a decrease of 5% on the prior year's \$8,987,528. This is predominately due to lower personnel expenses for fewer staff and cast required in our 2024 program. Additionally, a period of overlap of Artistic Directors in 2023 led to higher salary costs in 2023.

Victorian Opera benefited from a Workforce Training Initiative grant provided by Creative Australia in 2024. This gave us the means to offer training, mentorship and workplace experience to three young technical staff. Such grants will continue to help the performing arts industry combat the loss of many skilled technical workers over recent years.

Funding

In recognition of our unique contribution to Australian theatre, Victorian Opera joined the National Performing Arts Partnership Framework in 2021. This rightfully positions Victorian Opera alongside national companies in the country's performing arts arena.

Victorian Opera greatly appreciates the continuing financial support provided by:

- Creative Victoria (Victorian Government)
- Creative Australia (Federal Government)
- Victorian Department of Education
- The Robert Salzer Foundation (Victorian Opera's Foundation Partner)
- Trusts and Foundations, Major Partners and Patrons.

This funding enables us to present mainstage opera, new Australian works, youth and education programs, and to provide pathways and career opportunities for the many talented artists in Victoria and across Australia.

Victorian Opera recognised its full allocation of Federal and State Government's grants of \$4,901,375 (2023: \$4,720,920).

We continue to maintain healthy cash reserves of \$6.91 million, resulting in a cash/expenditure ratio of 80% (2023: 78%).

It is the Board's continued intention that a significant proportion of these reserves will be directed towards the cost of securing and fitting out a permanent home for Victorian Opera's operations.

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Directors' Report

31 December 2024

(a) General information

Venue Availability

The limited availability of theatre venues due to supply shortages continues to constrain all Victorian performing arts companies. The lack of theatre venue options led to a significant increase in production expenses for Victorian Opera in 2024.

Venues are critical for considering audience capacity, orchestras, sets and cast. In recent years, venue scarcity has become a driving factor in deciding which productions arts companies are able to program.

The closure of the State Theatre until late 2026 and limitations on using other Arts Centre Melbourne venues during daytime hours have exacerbated this issue. As a result, Victorian Opera's position on securing venues to deliver our artistic program for seasons 2026 and beyond remains uncertain.

In late 2024, Victorian Opera trialled performing smaller productions at Horti Hall, which will be continued into the 2025 year to mitigate this shortage.

Victorian Opera is excited for the breadth of opera and musical theatre in our 2025 program. Step through our door, anything can happen.

Principal activities

Victorian Opera delivers professional arts and cultural programs and services that achieve high artistic, cultural, governance and sector standards, engage audiences, generate income and partnerships and deliver benefits to the Victorian community.

No significant changes in the nature of the Company's activity occurred during the financial year.

Members' guarantee

Victorian Opera Company Limited is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 100, subject to the provisions of the company's constitution.

At 31 December 2024 the collective liability of members was \$ NIL (2023: \$ NIL).

Payments and other benefits

No payments or benefits of a pecuniary value were received by any officers of the Company during the financial year.

(b) Other items

Significant changes in state of affairs

Other than the events during the year noted under Review of Operations, there have been no significant changes in the state of affairs of the Company during the year.

Future developments and results

The Company plans to continue to deliver artistic, diverse and inclusive arts and cultural programs that deliver benefits to the Victorian community.

Directors' Report
31 December 2024

(b) Other items

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Meetings of directors

During the financial year, the following meetings of directors and committee meetings were held. Attendances by each director during the year were as follows:

	Board		Artistic		ARCC		M&D		P&C	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Genevieve Overell AM	7	7	3	3	4	4	-	-	-	-
Vivienne Corcoran	7	7	-	-	-	-	3	3	-	-
Grant Powell	7	7	-	-	-	-	-	-	4	4
Selina Lightfoot	7	6	-	-	4	4	-	-	4	4
Patricia Stebbens	7	6	-	-	4	4	-	-	-	-
Richard Kurth	7	6	3	2	-	-	-	-	-	-
Sharolyn Kimmorley	7	7	3	3	-	-	-	-	-	-

Key:

ARCC: Audit, Risk and Compliance Committee

M&D: Marketing & Development Committee

P&C: People and Culture Committee

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Directors' Report

31 December 2024

Auditor's independence declaration

The lead auditor's independence declaration in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 31 December 2024 has been received and can be found on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director:

Genevieve Overell



Director:

Patricia Stebbens

Dated 17 April 2025

Auditor's Independence Declaration under the Australian Charities and Not-for-profits Commission Act 2012 To the Directors of Victorian Opera Company Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Jaco Vorster, Partner (auditor registration number 507089) on behalf of
BG Assurance Pty Ltd, Chartered Accountants
Authorised audit company registration number 294178 (ACN 115 749 598)

Melbourne, Australia

Dated 17 April 2025

Victorian Opera Company Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2024

	Note	2024 \$	2023 \$
Revenue from Operations			
Government Funding Revenue	4	4,901,375	4,720,920
Box office and performance income	4	1,878,560	1,824,654
Sponsorship, philanthropic and donation income	4	1,571,633	1,608,461
Other income	4	302,064	403,670
Total revenue from operations		8,653,632	8,557,705
Expenses			
Administrative expenses		(834,657)	(793,761)
Marketing and development expenses		(458,533)	(507,219)
Personnel expenses	5	(4,616,629)	(5,410,073)
Production expenses		(2,591,484)	(2,224,689)
Finance leases interest expense		(31,599)	(51,786)
Total Expenses		(8,532,902)	(8,987,528)
Net Surplus/(Deficit) from Operations		120,730	(429,823)

The accompanying notes form part of these financial statements.

Victorian Opera Company Limited

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Statement of Financial Position

31 December 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	6,910,473	7,080,033
Trade and other receivables	7	204,684	215,111
Other non-financial assets	8	64,884	96,453
Finance lease receivables	10	17,159	198,399
TOTAL CURRENT ASSETS		7,197,200	7,589,996
NON-CURRENT ASSETS			
Right-of-use assets	9	457,226	666,876
Finance lease receivables	10	-	17,159
Property, plant and equipment	11	202,415	21,517
TOTAL NON-CURRENT ASSETS		659,641	705,552
TOTAL ASSETS		7,856,841	8,295,548
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	331,580	683,708
Employee benefits	13	247,517	211,130
Other liabilities	14	735,823	461,489
Lease liabilities	15	241,014	453,301
TOTAL CURRENT LIABILITIES		1,555,934	1,809,628
NON-CURRENT LIABILITIES			
Trade and other payables	12	-	70,834
Employee benefits	13	15,355	8,640
Other liabilities	14	-	610
Lease liabilities	15	286,435	527,449
TOTAL NON-CURRENT LIABILITIES		301,790	607,533
TOTAL LIABILITIES		1,857,724	2,417,161
NET ASSETS		5,999,117	5,878,387
EQUITY			
Reserves		5,307,813	5,247,336
Accumulated surplus		691,304	631,051
TOTAL EQUITY		5,999,117	5,878,387

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2024

2024

	Accumulated Surplus	Bequest Reserve	General Reserve	"Building our Future" Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2024	631,051	1,347,336	2,400,000	1,500,000	5,878,387
Net surplus from operations	120,730	-	-	-	120,730
Transfer to bequest reserve	(60,476)	60,476	-	-	-
Balance at 31 December 2024	691,305	1,407,812	2,400,000	1,500,000	5,999,117

1. Best practice financial management principles for Major Performing Arts organisations recommend maintaining a reserve to expenditure ratio of at least 20%. The Company has maintained a reserve/expenditure ratio of 68% (2023: 65%) and a cash/expenditure ratio of 80% (2023: 78%).
2. It is the board's intention that a significant proportion of cash reserves will be directed towards the cost of securing and fitting out a permanent home once a suitable location is identified and as the current lease on Horti Hall comes to an end. On this basis it is anticipated that the cash/expenditure ratio shown above will reduce proportionately in future years.

2023

	Accumulated Surplus	Bequest Reserve	General Reserve	"Building our Future" Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2023	1,129,511	1,278,699	2,400,000	1,500,000	6,308,210
Net deficit from operations	(429,823)	-	-	-	(429,823)
Transfer to bequest reserve	(68,637)	68,637	-	-	-
Balance at 31 December 2023	631,051	1,347,336	2,400,000	1,500,000	5,878,387

The accompanying notes form part of these financial statements.

Victorian Opera Company Limited

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Statement of Cash Flows For the Year Ended 31 December 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and grant donors		9,254,156	9,316,996
Payments to suppliers and employees		(9,204,431)	(9,316,570)
Finance lease income		6,775	16,899
Interest received		213,321	239,149
Interest earned on bequest funds		60,476	68,637
Net cash provided by operating activities	22	330,297	325,111
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from finance lease (sub-lease)		198,399	180,384
Purchase of property, plant and equipment		(213,356)	(11,503)
Net cash provided by investing activities		(14,957)	168,881
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of finance lease liabilities		(453,301)	(342,525)
Payment of finance lease interest		(31,599)	(51,786)
Net cash (used in) financing activities		(484,900)	(394,311)
Net (decrease)/ increase in cash and cash equivalents held		(169,560)	99,681
Cash and cash equivalents at beginning of year		7,080,033	6,980,352
Cash and cash equivalents at end of financial year	6	6,910,473	7,080,033

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2024

The financial report covers Victorian Opera Company Limited as an individual entity. Victorian Opera Company Limited is a Not for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Victorian Opera Company Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 17 April 2025.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

2 Summary of Significant Accounting Policies

(a). Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(b). Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies

(b). Leases

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lessor accounting

When the Company is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When the Company has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

Finance income under a finance lease is recorded on a basis to reflect a constant periodic rate of return on the Company's net investment in the lease.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies

(c). Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

- (i) Identify the contract with the customer
- (ii) Identify the performance obligations
- (iii) Determine the transaction price
- (iv) Allocate the transaction price to the performance obligations
- (v) Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Subscriptions and box office income

The Company sells tickets and subscriptions to customers in relation to the productions of the financial year. The inherent performance obligation in these sales being the delivery of operatic productions. A subscription entitles the customer to multiple productions and each is considered to be a separate performance obligation under the standard.

For a standard ticket, transaction price is simply allocated as the cost paid by the customer. With a subscription, the revenue is allocated to each performance obligation proportionally based on the observable stand-alone selling price for each production obligation. Variable consideration is not considered to be a significant factor in determining and allocating transaction price to each obligation.

Revenue relating to the sale of tickets and subscriptions is recognised at the point in time the production is performed. At this point the customer has received the benefit promised as part of the contract.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies

(c). Revenue and other income

Specific revenue streams

Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied. Only one tripartite grant agreement is considered to have sufficiently specific performance obligations, this being the agreement with Creative Victoria and the Australia Council for the Arts.

The varied obligations under the contract are bundled together to form distinct performance obligations. Specifically the performance obligation involves the performance of a set number of operatic productions of varying sizes as defined within the grant agreement.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations are recognised using the not-for-profit specific standard: *AASB 1058: Income of Not-for Profit entities*.

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset in line with AASB 1058: Income of Not-for-Profit entities.

(d). Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies

(e). Property, plant and equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciable amount of all property, plant and equipment is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10% - 33%
Furniture, Fixtures and Fittings	33%
Office Equipment	20% - 33%
Improvements	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies

(f). Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies

(f). Financial instruments

Financial assets

Impairment of financial assets

The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held).

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(g). Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand, deposits held at call with banks and term deposits.

(h). Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national Government bond rates with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(i). Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 31 December 2024

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key judgments - lease classification

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Notes to the Financial Statements

For the Year Ended 31 December 2024

4 Revenue and Other Income

	2024 \$	2023 \$
Government funding revenue		
- Creative Victoria annual grant	3,948,890	3,894,368
- Department of Education	135,207	137,524
- Creative Australia annual grant	717,278	689,028
- Workforce Training Initiative	100,000	-
Total Government funding revenue	4,901,375	4,720,920
Box office and performance income		
- Box office sales	1,331,662	850,831
- Co-Producer fees	505,648	965,360
- Performance and workshop fees	41,250	8,463
Total box office and performance income	1,878,560	1,824,654
Sponsorship, philanthropic and donation revenue		
- Corporate Sponsorship	400,000	510,000
- Philanthropic	539,225	494,865
- Donations	632,408	603,596
Total sponsorship, philanthropic and donation revenue	1,571,633	1,608,461
Other income		
- Interest received	213,321	239,149
- Interest earned on bequest funds	60,476	68,637
- Other income	28,266	95,884
Total other income	302,063	403,670
Total Revenue	8,653,631	8,557,705

5 Personnel expenses

	2024 \$	2023 \$
Administration and marketing	1,209,619	1,353,079
Art and production salaries	2,840,308	3,520,795
Employee on-costs	566,702	536,199
Total personnel expenses	4,616,629	5,410,073

Notes to the Financial Statements

For the Year Ended 31 December 2024

6 Cash and Cash Equivalents

	2024	2023
	\$	\$
Bank balances	1,734,829	257,633
Short and medium term deposits	5,175,644	6,822,400
Total Cash and Cash Equivalents	6,910,473	7,080,033

7 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	59,016	103,416
Deposits	56,375	56,375
GST receivable	89,293	55,320
Total current trade and other receivables	204,684	215,111

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

8 Other non-financial assets

	2024	2023
	\$	\$
CURRENT		
Prepayments	45,475	43,967
Accrued income and Other Debtors	-	31
Deferred production costs	19,409	52,455
Total other non-financial assets	64,884	96,453

Notes to the Financial Statements

For the Year Ended 31 December 2024

9 Leases

Company as a lessee

The Company has leases over land and buildings.

Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

The company leases land and buildings for their corporate offices and other buildings. The leases are generally for 3-5 year terms and include a renewal option to allow the company to renew for further lease terms.

Right-of-use assets

	Buildings \$
Year ended 31 December 2024	
Balance at beginning of year	666,876
Depreciation charge	<u>(209,650)</u>
Balance at end of year	<u><u>457,226</u></u>
	Buildings \$
Year ended 31 December 2023	
Balance at beginning of year	294,148
Depreciation charge	(209,650)
Additions to right-of-use assets	<u>582,378</u>
Balance at end of year	<u><u>666,876</u></u>

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases (including both Horti Hall and Laurens Street) where the Company is a lessee are shown below:

	2024 \$	2023 \$
Finance lease interest expense	(31,599)	(51,786)
Depreciation expense	<u>(209,650)</u>	(209,650)
	<u><u>(241,249)</u></u>	<u><u>(261,436)</u></u>

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements For the Year Ended 31 December 2024

10 Finance Lease Receivables

	2024	2023
	\$	\$
CURRENT		
Finance lease receivables	<u>17,159</u>	<u>198,399</u>
NON-CURRENT		
Finance lease receivables	<u>-</u>	<u>17,159</u>

11 Property, plant and equipment

PLANT AND EQUIPMENT	2024	2023
	\$	\$
Production equipment		
At cost	275,854	170,289
Accumulated depreciation	<u>(182,953)</u>	<u>(170,289)</u>
Total plant and equipment	<u>92,901</u>	<u>-</u>
Furniture, fixtures and fittings		
At cost	64,878	54,517
Accumulated depreciation	<u>(55,035)</u>	<u>(54,517)</u>
Total furniture, fixtures and fittings	<u>9,843</u>	<u>-</u>
Office equipment		
At cost	289,510	229,128
Accumulated depreciation	<u>(195,707)</u>	<u>(208,455)</u>
Total office equipment	<u>93,803</u>	<u>20,673</u>
Improvements		
At cost	116,874	110,587
Accumulated Depreciation	<u>(111,006)</u>	<u>(109,743)</u>
Total improvements	<u>5,868</u>	<u>844</u>
Total property, plant and equipment	<u>202,415</u>	<u>21,517</u>

Notes to the Financial Statements

For the Year Ended 31 December 2024

12 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	45,313	445,313
Deposits	70,834	-
Sundry payables and accrued expenses	27,175	27,175
Accrued expenses	46,641	55,419
Other payables	141,617	155,801
Total trade and other payables	331,580	683,708

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

NON-CURRENT

Deposits	-	70,834
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13 Employee Benefits

	2024	2023
	\$	\$
CURRENT		
Provision for annual leave	117,395	100,094
Provision for long service leave	130,122	111,036
	247,517	211,130
NON-CURRENT		
Provision for long service leave	15,355	8,640
Total employee benefits provision	262,872	219,770

14 Other Liabilities

	2024	2023
	\$	\$
CURRENT		
Income received in advance	735,823	461,489
NON-CURRENT		
Lease incentive	-	610
Total other liabilities	735,823	462,099

Notes to the Financial Statements

For the Year Ended 31 December 2024

15 Lease Liabilities

	2024	2023
	\$	\$
CURRENT		
Lease liabilities	241,014	453,301
NON-CURRENT		
Lease liabilities	286,435	527,449

16 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is a function of the Board supported by the Audit, Risk and Compliance Committee (ARCC) under the delegated power from the Board of Directors. The Leadership Team has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company. These policies and procedures are then reviewed by the ARCC and subject to being adopted, are tabled for approval by the full Board.

17 Members' Guarantee

Victorian Opera Company Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$100, subject to the provisions of the company's constitution.

Notes to the Financial Statements

For the Year Ended 31 December 2024

18 Key Management Personnel Remuneration

Remuneration paid to the key management personnel of Victorian Opera Company Limited during the year was:

\$ 548,996 (2023: \$ 594,920).

19 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor (BG Assurance Pty Ltd) for:		
- auditing or reviewing the financial statements	23,000	22,000

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2024 (31 December 2023: Nil).

21 Related Parties

Any persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise), are considered to be key management personnel.

Directors do not receive remuneration for their services. For details of remuneration disclosures relating to other key management personnel, refer to Note 18: Remuneration.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

22 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2024	2023
	\$	\$
Surplus/(Deficit)for the year	120,730	(429,823)
Non-cash flows in surplus:		
- depreciation	242,108	223,101
- lease liability interest expense	31,599	51,786
Changes in assets and liabilities:		
- (increase)/ decrease in trade and other receivables	10,427	100,134
- (increase)/ decrease in other assets	31,569	(5,819)
- increase in trade and other payables	(423,572)	92,878
- increase / (decrease) in employee benefits	43,102	6,364
- increase / (decrease) in other liabilities	274,334	286,490
Cashflows from operations	330,297	325,111

Victorian Opera Company Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2024

23 Events after the end of the Reporting Period

The financial report was authorised for issue on 17 April 2025 by the Board of Directors.

24 Statutory Information

The registered office and principal place of business of the company is:

Victorian Opera Company Limited
Horti Hall, 31 Victoria Street
Melbourne VIC 3000

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 28, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2024 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Genevieve Overell

Director



Patricia Stebbens

Dated 17 April 2025

Independent Audit Report to the members of Victorian Opera Company Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Victorian Opera Company Limited (the Company), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and *Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors 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 - Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Independent Audit Report to the members of Victorian Opera Company Limited

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BG Assurance Pty Ltd

BG Assurance Pty Ltd, Chartered Accountants
Authorised audit company number 294178 (ACN 115 749 598)

JV

Jaco Vorster, Partner
Registration number 507089

Melbourne, Australia
17 April 2025