

Victorian Opera Company Ltd

ABN 56 116 549 798

Financial Statements

For the Year Ended 31 December 2025

Victorian Opera Company Limited

ABN 56 116 549 798

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For the Year Ended 31 December 2025

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Victorian Opera Company Limited

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Directors' Report

31 December 2025

The directors present their report on Victorian Opera Company Limited for the financial year ended 31 December 2025.

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 is Deputy Chair of Australian British Chamber of Commerce. Genevieve also serves on the Boards of Cladding Safety Victoria, Northwest Melbourne Primary Healthcare Network, Victorian Comprehensive Cancer Centre Alliance, Coliban Water, Southern Waste Solutions and an Independent Member of the Department of Premier and Cabinet Audit Committee.

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

Retired May 29th 2025

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 was the Chair of the Marketing and Development Committee.

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Directors' Report

31 December 2025

Information on directors

Grant Powell

Qualifications

Experience

Other Victorian Opera committees

Retired May 29th 2025

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

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.

Grant was the Chair of the People and Culture Committee.

Selina Lightfoot

Qualifications

Experience

Other Victorian Opera committees

Retired May 29th 2025

BA/LLB, FAICD, Grad Dip App Fin

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.

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

Sharolyn Kimmorley AM

Qualifications

Experience

Other Victorian Opera committees

Bachelor of Music (Sydney Conservatorium/Sydney University)

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.

Sharolyn is the Chair of the Artistic Committee.

Patricia Stebbens

Qualifications

Experience

Other Victorian Opera committees

BEco, Master of Applied Finance, FCA

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.

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

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Directors' Report

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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.

Gillian Wong

Qualifications

Appointed 29th May 2025

LLB (Hons) BCom GAICD AGIA

Experience

Gillian is a senior legal and governance professional and is currently the General Counsel and Company Secretary of Quantem Bulk Liquid Storage. She has over 25 years experience advising boards and senior executives on legal, regulatory, risk and governance matters and has worked for a number of public and privately owned companies primarily in the finance, mining, infrastructure and not for profit sectors. Gillian was previously the National President and director of the Association of Corporate Counsel Australia and is committed to the long term sustainability and integrity of the organisations in which she is involved.

Other Victorian Opera committees

Gillian is a member of the P&C and ARC Committee's

Josef Oduwo

Qualifications

Appointed 29th May 2025

BSc (Hons), PGDip Management, MBA, MACS Snr (CP), MBCS, MAICD

Experience

Josef is Director at Technology Associates; a consultancy focussing on Artificial Intelligence and also leads of the Australian Computer Society's Artificial Intelligence Special Interest Group (SIG). He is also a Member of the Steering Committee for the African Music and Cultural Festival.

He has previously been on the Board of IPAA Victoria, and also previously been Vice Chair of the Australian Computer Society.

Josef is a Member of the Australian Institute of Company Directors (MAICD), a Senior Member of the Australian Computer Society, a Member of the British Computer Society, a Member of The Institute of Public Administration Australia (Victoria) – IPAA Victoria, and holds a Postgraduate Diploma in Management and a Master of Business Administration from The University of Melbourne - Melbourne Business School with a specialisation in strategy and innovation from Copenhagen Business School

Other Victorian Opera committees

Josef is a member of the ARC Committee

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Directors' Report 31 December 2025

Information on directors

Michael Smolders

Qualifications

Experience

Appointed 29th May 2025

GAICD; B.Bus(Mkt) MBA(StratMgt)

Michael is an experienced executive director who champions customer centric strategy to drive sustainable growth and innovation. With more than 25 years in product, marketing and operations leadership across financial services, education, consumer retail and member based organisations, he brings deep expertise in transforming complex environments.

He is currently Chief Product & Experience Officer at LeavePlus and has held senior leadership roles at OES, CPA Australia and ING DIRECT

Other Victorian Opera committees

Michael is a member of the Marketing Committee

Amanda Watt

Qualifications

Experience

Appointed 1st September 2025

BCOM/LLB (Hons); LLM; GAICD; MAPP

Amanda is currently a director of Ambulance Victoria, where she is a member of the People and Culture Committee and chairs the Audit and Risk Committee. For 25 years she practised as an industrial relations, employment and equal opportunity legal practitioner as a partner of MinterEllison Lawyers, drawing strongly on strategy and human-centred approaches to assist clients to achieve productive, safe and respectful workplaces and to resolve sensitive workplace issues.

Other Victorian Opera committees

Amanda chairs the People and Culture Committee

Sam Redston

Qualifications

Experience

Appointed 1st September 2025

MBA, MAICD

Sam Redston is a creative producer who has worked at every scale — from boutique public programs to major festivals and international commissions — and recently initiated Climate360 , an interdisciplinary climate program, through his company Flot & Jet. He served as Executive Director then CEO of MPavilion from 2017 to 2023, leading an inspired team to create a festival of free design and performing arts events over nine summers. Sam chairs Victorian Opera's Marketing and Development Committee. He brings to the board direct experience in arts leadership, fundraising, show business and the particular satisfaction of finding elegant solutions to impossible briefs.

Other Victorian Opera Committees

Sam Chairs the Marketing Committee.

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

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Directors' Report

31 December 2025

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 2025, Victorian Opera recorded a surplus from operations of \$1,166,924. This compares to a surplus of \$120,730 in the prior reporting period.

Revenue for the year was \$9,836,944, an increase from the prior year's revenue of \$8,653,632. This exceptional result was driven largely by the generosity of a Patron who made a \$1 million donation to Victorian Opera in 2025. In addition, the strong performance of our Opening Show Follies, together with Victorian Opera's presentation of Sweeney Todd in Dubai in early 2025, positioned the Company for a good financial outcome in 2025.

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

Operations

During 2025, a total of 42,736 audience members attended or viewed our programs (2024: 43,520). This slight decrease reflects a slight reduction in the number of performances and the use of smaller venues including Horti Hall and metropolitan theatres for the 2025 program.

Operating costs were \$8,670,020, an increase of 1.6% on the prior year's \$8,532,902. This modest rise reflects the escalating cost of producing live theatre in Victoria, where materials, technical services, and venue-related expenses continue to climb. It also mirrors the ongoing shortage of trained and experienced staff across the performing arts sector, which has placed upward pressure on personnel costs as companies compete for specialised skills essential to delivering highquality productions.

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. The funding was renewed in 2025, securing Victorian Opera's support under the Framework through to 2028

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 \$4,879,488 (2024: \$4,901,375).

We continue to maintain healthy cash reserves of \$7.5 million, resulting in a cash/expenditure ratio of 86% (2024: 80%).

The income derived from these reserves supports the activities of Victorian Opera Company.

While the Board's long-term intention is to apply these reserves toward securing a permanent home for the Company, current real estate conditions have made identifying a suitable property increasingly challenging.

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Directors' Report

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Venue Availability

The ongoing shortage of suitable theatre venues in Melbourne continued to drive higher production expenses for Victorian Opera in 2025. Venue availability is a critical factor in determining audience capacity, orchestral requirements, staging, and casting. In recent years, this scarcity has increasingly influenced which productions arts companies are able to program, shaping both artistic planning and financial outcomes.

During 2025, Victorian Opera continued to stage a number of smaller productions at Horti Hall. An infrastructure grant to be received in 2026 will support improvements that enable easier conversion of the Hall into a performance venue, making it more cost-effective and efficient for the Company—and for external groups—to utilise this space in future years.

Victorian Opera is excited for the breadth of opera and musical theatre in our 2026 program – our 21st birthday! Here's to the next chapter, let's turn the page together.

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 2025 the collective liability of members was \$ NIL (2024: \$ 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.

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.

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.

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Directors' Report 31 December 2025

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 Overall AM	7	7	4	2	4	4	-	-	-	-
Vivienne Corcoran (Retired 29th May 2025)	4	4	-	-	-	-	2	2	-	-
Grant Powell (Retired 29th May 2025)	4	4	-	-	-	-	-	-	1	1
Selina Lightfoot (Retired 29th May 2025)	4	3	-	-	1	-	-	-	-	-
Patricia Stebbens	7	7	-	-	4	4	-	-	-	-
Richard Kurth	7	6	4	3	-	-	-	-	-	-
Sharolyn Kimmorley	7	7	4	4	-	-	-	-	-	-
Gillian Wong (Appointed 29th May 2025)	3	3	-	-	2	1	-	-	2	2
Josef Oduwo (Appointed 29th May 2025)	3	3	-	-	2	2	-	-	-	-
Michael Smolders (Appointed 29th May 2025)	3	3	-	-	-	-	2	2	-	-
Amanda Watt (Appointed 1st September 2025)	2	2	-	-	-	-	-	-	2	2
Sam Redston (Appointed 1st September 2025)	2	2	-	-	-	-	1	1	-	-

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 2025

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 2025 has been received and can be found on page 9 of the financial report.

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



Director:

Genevieve Overall



Director:

Patricia Stebbens

Dated 17 April 2026

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 2025, 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 2026

Victorian Opera Company Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2025

	Note	2025 \$	2024 \$
Revenue from Operations			
Government Funding Revenue	4	4,879,488	4,901,375
Box office and performance income	4	1,939,636	1,878,560
Sponsorship, philanthropic and donation income	4	2,535,781	1,571,633
Other income	4	482,039	302,064
Total revenue from operations		<u>9,836,944</u>	<u>8,653,632</u>
Expenses			
Administrative expenses		(535,382)	(592,549)
Depreciation and amortisation expense		(303,153)	(242,108)
Marketing and development expenses		(454,253)	(458,533)
Personnel expenses	5	(4,999,808)	(4,616,629)
Production expenses		(2,357,429)	(2,591,484)
Finance leases interest expense		(19,995)	(31,599)
Total Expenses		<u>(8,670,020)</u>	<u>(8,532,902)</u>
Net Surplus from Operations		<u>1,166,924</u>	<u>120,730</u>

The accompanying notes form part of these financial statements.

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Statement of Financial Position

31 December 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	7,564,228	6,910,473
Trade and other receivables	7	65,204	204,684
Prepayments		132,050	64,884
Finance lease receivables		-	17,159
TOTAL CURRENT ASSETS		<u>7,761,482</u>	<u>7,197,200</u>
NON-CURRENT ASSETS			
Right-of-use assets	8	338,225	457,226
Property, plant and equipment	9	184,719	202,415
TOTAL NON-CURRENT ASSETS		<u>522,944</u>	<u>659,641</u>
TOTAL ASSETS		<u>8,284,426</u>	<u>7,856,841</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	225,842	331,581
Employee benefits	11	252,249	247,517
Deferred income	12	256,539	735,822
Lease liabilities	8	217,518	241,014
TOTAL CURRENT LIABILITIES		<u>952,148</u>	<u>1,555,934</u>
NON-CURRENT LIABILITIES			
Employee benefits	11	27,970	15,355
Lease liabilities	8	138,267	286,435
TOTAL NON-CURRENT LIABILITIES		<u>166,237</u>	<u>301,790</u>
TOTAL LIABILITIES		<u>1,118,385</u>	<u>1,857,724</u>
NET ASSETS		<u>7,166,041</u>	<u>5,999,117</u>
EQUITY			
Reserves		5,307,812	5,307,812
Accumulated surplus		1,858,229	691,305
TOTAL EQUITY		<u>7,166,041</u>	<u>5,999,117</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2025

2025

	Accumulated Surplus	Bequest Reserve	General Reserve	"Building our Future" Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2025	691,305	1,407,812	2,400,000	1,500,000	5,999,117
Net surplus from operations	1,166,924	-	-	-	1,166,924
Balance at 31 December 2025	1,858,229	1,407,812	2,400,000	1,500,000	7,166,041

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 61% (2024: 68%) and a cash/expenditure ratio of 86% (2024: 80%).
2. It is the board's intention that a significant portion of cash reserves will be directed towards the cost of securing and fitting out a permanent home if a suitable location is identified. On this basis it is anticipated that the cash/expenditure ratio shown above would reduce proportionately in future.

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

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 December 2025

	2025	2024
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grant donors	9,653,402	9,254,156
Payments to suppliers and employees	(9,029,656)	(9,204,431)
Finance lease income	77	6,775
Interest received	312,684	213,321
Interest earned on bequest funds	58,203	60,476
Net cash provided by operating activities	19 <u>994,710</u>	<u>330,297</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from finance lease (sub-lease)	17,159	198,399
Purchase of property, plant and equipment	(53,769)	(213,356)
Net cash provided by investing activities	<u>(36,610)</u>	<u>(14,957)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(284,350)	(453,301)
Payment of finance lease interest	(19,995)	(31,599)
Net cash (used in) financing activities	<u>(304,345)</u>	<u>(484,900)</u>
Net (decrease)/ increase in cash and cash equivalents held	653,755	(169,560)
Cash and cash equivalents at beginning of year	6,910,473	7,080,033
Cash and cash equivalents at end of financial year	6 <u>7,564,228</u>	<u>6,910,473</u>

The accompanying notes form part of these financial statements.

Victorian Opera Company Limited

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Notes to the Financial Statements For the Year Ended 31 December 2025

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 2026.

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 Material 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) Revenue and other income

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 2025

2 Summary of Material Accounting Policies

(b). 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 Creative Australia.

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.

Notes to the Financial Statements For the Year Ended 31 December 2025

2 Summary of Material Accounting Policies

(c) 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.

(d) 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.

Notes to the Financial Statements For the Year Ended 31 December 2025

2 Summary of Material Accounting Policies

(d). Leases

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.

(e). 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 amortised cost.

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 2025

2 Summary of Material Accounting Policies

(e). 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.

(f). 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.

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 - 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.

Victorian Opera Company Limited

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Notes to the Financial Statements For the Year Ended 31 December 2025

3 Critical Accounting Estimates and Judgments

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.

4 Revenue and Other Income

	2025	2024
	\$	\$
Government funding revenue		
- Creative Victoria annual grant	4,004,174	3,948,890
- Department of Education	136,517	135,207
- Creative Australia annual grant	738,797	717,278
- Workforce Training Initiative	-	100,000
Total Government funding revenue	4,879,488	4,901,375
Box office and performance income		
- Box office sales	1,135,631	1,331,662
- Co-Producer fees	787,176	505,648
- Performance and workshop fees	16,829	41,250
Total box office and performance income	1,939,636	1,878,560
Sponsorship, philanthropic and donation revenue		
- Corporate Sponsorship	250,000	400,000
- Philanthropic	868,268	539,225
- Donations	1,417,513	632,408
Total sponsorship, philanthropic and donation revenue	2,535,781	1,571,633
Other income		
- Interest received	312,684	213,321
- Interest earned on bequest funds	58,203	60,476
- Other income	111,152	28,267
Total other income	482,039	302,064
Total Revenue	9,836,944	8,653,632

5 Personnel expenses

	2025	2024
	\$	\$
Administration and marketing	1,248,169	1,209,619
Art and production salaries	3,152,707	2,840,308
Employee on-costs	598,932	566,702
Total personnel expenses	4,999,808	4,616,629

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Notes to the Financial Statements For the Year Ended 31 December 2025

6 Cash and Cash Equivalents

	2025	2024
	\$	\$
Bank balances	386,896	1,734,829
Short and medium term deposits	7,177,332	5,175,644
Total Cash and Cash Equivalents	7,564,228	6,910,473

7 Trade and Other Receivables

	2025	2024
	\$	\$
CURRENT		
Trade receivables	3,465	59,016
Deposits	-	56,375
GST receivable	61,739	89,293
Total current trade and other receivables	65,204	204,684

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

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Notes to the Financial Statements For the Year Ended 31 December 2025

8 Leases

Company as a lessee

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 2025	
Balance at beginning of year	457,226
Depreciation charge	(231,687)
Additions to right-of-use assets	112,686
Balance at end of year	<u><u>338,225</u></u>
	\$
Year ended 31 December 2024	
Balance at beginning of year	666,876
Depreciation charge	(209,650)
Balance at end of year	<u><u>457,226</u></u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2025					
Lease liabilities	250,312	142,767	-	393,079	355,785
2024					
Lease liabilities	257,200	294,512	-	551,712	527,449

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:

	2025	2024
	\$	\$
Depreciation of right-of-use assets	(231,687)	(209,650)
Finance lease interest expense	(19,995)	(31,599)
Total	<u><u>(251,682)</u></u>	<u><u>(241,249)</u></u>

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Notes to the Financial Statements For the Year Ended 31 December 2025

9 Property, plant and equipment

	2025	2024
	\$	\$
Production equipment		
At cost	293,004	275,854
Accumulated depreciation	(218,454)	(182,953)
Total plant and equipment	<u>74,550</u>	<u>92,901</u>
Furniture, fixtures and fittings		
At cost	71,434	64,878
Accumulated depreciation	(58,549)	(55,035)
Total furniture, fixtures and fittings	<u>12,885</u>	<u>9,843</u>
Office equipment		
At cost	319,574	289,510
Accumulated depreciation	(226,901)	(195,707)
Total office equipment	<u>92,673</u>	<u>93,803</u>
Improvements		
At cost	116,874	116,874
Accumulated Depreciation	(112,263)	(111,006)
Total improvements	<u>4,611</u>	<u>5,868</u>
Total property, plant and equipment	<u><u>184,719</u></u>	<u><u>202,415</u></u>

Victorian Opera Company Limited

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Notes to the Financial Statements For the Year Ended 31 December 2025

9 Property, plant and equipment

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Production Equipment	Furniture, Fixtures and Fittings	Office Equipment	Improvements	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2025					
Balance at the beginning of year	92,901	9,843	93,803	5,868	202,415
Additions	17,150	6,555	30,064	-	53,769
Depreciation expense	(35,501)	(3,513)	(31,194)	(1,257)	(71,465)
Balance at the end of the year	74,550	12,885	92,673	4,611	184,719

	Production Equipment	Furniture, Fixtures and Fittings	Office Equipment	Improvements	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2024					
Balance at the beginning of year	-	-	20,673	844	21,517
Additions	105,566	10,361	91,143	6,286	213,356
Disposals	-	-	-	-	-
Depreciation expense	(12,665)	(518)	(18,013)	(1,262)	(32,458)
Balance at the end of the year	92,901	9,843	93,803	5,868	202,415

10 Trade and Other Payables

	2025	2024
	\$	\$
CURRENT		
Trade payables	42,073	45,313
Deposits	-	70,834
Pay it forward program	22,951	27,175
Accrued expenses	78,128	46,641
Other payables	82,690	141,618
Total trade and other payables	225,842	331,581

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.

Victorian Opera Company Limited

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Notes to the Financial Statements For the Year Ended 31 December 2025

11 Employee Benefits

	2025	2024
	\$	\$
CURRENT		
Provision for annual leave	106,626	117,395
Provision for long service leave	145,623	130,122
Total current employee benefits	252,249	247,517
NON-CURRENT		
Provision for long service leave	27,970	15,355
Total employee benefits provision	280,219	262,872

12 Deferred income

	2025	2024
	\$	\$
CURRENT		
Subscriptions in advance	218,749	220,613
Box office income in advance	14,990	12,840
Other income in advance	22,800	502,369
Total deferred income	256,539	735,822

Victorian Opera Company Limited

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Notes to the Financial Statements For the Year Ended 31 December 2025

13 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.

14 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.

15 Key Management Personnel Remuneration

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

\$ 605,421 (2024: \$ 548,996).

16 Auditors' Remuneration

	2025	2024
	\$	\$
Remuneration of the auditor (BG Assurance Pty Ltd) for:		
- auditing or reviewing the financial statements	<u>23,500</u>	<u>23,000</u>

Victorian Opera Company Limited

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Notes to the Financial Statements For the Year Ended 31 December 2025

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2025 (31 December 2024: Nil).

18 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 15: Remuneration.

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

19 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2025	2024
	\$	\$
Surplus for the year	1,166,924	120,730
Non-cash flows in surplus:		
- depreciation	303,152	242,108
- lease liability interest expense	19,995	31,599
Changes in assets and liabilities:		
- (increase)/ decrease in trade and other receivables	139,480	10,427
- (increase)/ decrease in other assets	(67,166)	31,569
- increase in trade and other payables	(105,739)	(423,572)
- increase / (decrease) in employee benefits	17,347	43,102
- increase / (decrease) in other liabilities	(479,283)	274,334
Cashflows from operations	<u>994,710</u>	<u>330,297</u>

20 Events after the end of the Reporting Period

The financial report was authorised for issue on 17 April 2026 by the Board of Directors.

21 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

Victorian Opera Company Limited

ABN 56 116 549 798

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 26, 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 2025 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 2026

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 2025, 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 2025 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.

Victorian Opera Company Limited

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 2026