

Victorian Opera Company Ltd

ABN 56 116 549 798

Financial Statements

For the Year Ended 31 December 2023

Victorian Opera Company Limited

ABN 56 116 549 798

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For the Year Ended 31 December 2023

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Victorian Opera Company Limited

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Directors' Report

31 December 2023

The directors present their report on Victorian Opera Company Limited for the financial year ended 31 December 2023.

(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

Qualifications

BA, LLB, Grad Dip Fin Mgt, FIPAA, FAICD

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 and cross-border trade and investment.

Other Board appointments

Deputy Chair of the Australian German Chamber of Industry and Commerce (AHK), Genevieve chairs the Global Infrastructure Hub Audit Risk & Compliance Committee and is Deputy Chair of Australian British Chamber of Commerce. Genevieve also serves on the Boards of Committee for Melbourne, Cladding Safety Victoria, Northwest Melbourne Primary Healthcare Network and the Victorian Comprehensive Cancer Centre Alliance.

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 on the board 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 2023

(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 Hydro Tasmania, South East Water, Tasmanian Development Board and JDRF Australia. Selina is also a member of the Advisory Board for TLC Aged Care and recently joined the board of the North Melbourne Football Club. Selina has previously sat on ASX listed boards in retail, consumer products and technology. 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.

Stephen McIntyre AM
(Retired 25 May 2023)

Qualifications

BA (Melb)

Experience

Stephen is known nationally and internationally as one of Australia's most eminent pianists and teachers. He was Head of Piano at the Victorian College of the Arts from 1977 until 1993; Principal Artistic Advisor for Musica Viva Australia 1995 96; Director of the Chamber Music Program for the Melbourne Festival 1989 99; Artistic Director of the Port Fairy Spring Music Festival 2005 09.

Stephen is Associate Professor in the Melbourne Conservatorium of Music at the University of Melbourne. In 2003, he was the recipient of the Sir Bernard Heinze Award for distinguished contribution to music in Australia.

Other Victorian Opera committees

Stephen is the Chair of the Artistic Committee.

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Directors' Report

31 December 2023

(a) General information

Information on directors

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.

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.

Anna Pitt (On leave of absence)

Qualifications

BBusMan, BA

Experience

Anna is a senior strategist at Elvis London, a leading advertising agency. She has more than eight years of experience in marketing with a strong FMCG focus, where she has managed household brand names like Mars bar and Snickers, and worked with clients in technology, retail and financial sectors. She is a specialist in marketing strategy, brand management and communications.

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 2023**

(a) General information

Company secretary

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

Elizabeth Hill

Review of Operations

The Company has recorded a deficit from operations of \$429,823 compared to a surplus of \$255,454 in the prior reporting period. Revenue for the year was \$8,557,705, an increase of 11% on prior year revenue of \$7,647,847 and is reflective of the positive impact of audiences continuing to return to live performances.

Operating costs were \$8,987,528, an increase of 22% on the prior year's \$7,392,392. Like all Performing Arts organisations, the Company was significantly impacted by the increase in all input costs, particularly during the second half of 2023. In total, our programs were attended or viewed by 49,672 audience members, and for the first time since 2019, the Company was successful in delivering a full Artistic Program for the year.

Victorian Opera is greatly appreciative of the continuing financial support provided by the Victorian Government through Creative Victoria, the Federal Government through Creative Australia, our Foundation Partner The Robert Salzer Foundation and the many other generous supporters of the company. 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.

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Directors' Report

31 December 2023

(a) General information

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

Operational

1. The Performing Arts industry continues to grapple with the loss of many skilled technical workers who have left the sector. This in turn has led to a shortage in workforce talent, in particular people with the right skills to undertake many technical tasks. This was compounded by labour rates increasing on an exponential scale. The longer-term impact across the industry will be the limitations on accessing the best talent and the flow on impact to higher operating costs.
2. As we presented our full Artistic Program for the first time since 2019, it is a huge credit to all those involved that the Company successfully presented productions to a growing audience as follows:
 - 16152 attended 8 mainstage productions across 21 performances.
 - 21,180 attended 1 interstate coproduction of Sweeney Todd across 43 performances.
 - 2,877 attended 1 international coproduction across 5 performances.
 - 1,894 came to see our Education In-theatre production 'The Grumpiest Boy in the World, across 4 performances.
 - 186 came to see our Education Digital Outreach (Regional Cinemas) production of The Grumpiest Boy in the World across 2 performances in regional hubs.
 - 4,214 primary school students and teachers watched our Access All Areas Education livestream program of 4 workshops and a streamed performance of The Grumpiest Boy in the World, for a total of 26,262 views across the program.
 - 810 bought subscription or single access to our Digital Access streamed productions across 4 performances.
 - 603 attended 4 VOYCE or Youth Opera productions across 6 performances; and
 - 460 attended 2 Special Event productions across 2 performances.
3. Victorian Opera's position on securing venues to deliver our artistic program remains uncertain. Construction has now commenced on the refurbishment of The Arts Centre Theatres Building, part of the Victorian Government's \$1.7 billion transformation of the Melbourne Arts Precinct, closing the State Theatre until late 2026. This has created greater demand for access to venues such as the Palais Theatre in St Kilda. Whilst the Company has secured bookings to venues through 2024, venues will continue to be a critical element when it comes to considering audience capacity, orchestras, sets and cast.

Financial

4. In the 2023 year, the impact of inflation upon the costs to mount productions resulted in higher than budgeted costs being incurred for the 2023 program. This, coupled with the continued shortage of talent within the industry further increased the costs of Victorian Opera for the 2023 season. Stuart Maunder AM, joined Victorian Opera in March 2023, working with the outgoing Artistic Director, Richard Mills AM, on both the 2023 Program and the development of the 2024 Program to ensure a seamless transition into 2024. Increased salary costs were incurred to cover the cost of both Artistic Directors during this time.
5. The Company recognised its full allocation of Federal and State Government's grants of \$4,720,920 (2022: \$4,864,054).
6. The Company continues to maintain healthy cash reserves of \$7.08 million resulting in a cash/expenditure ratio of 78% (2022: 94%). 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 once a suitable location is identified and as the current lease on Horti Hall comes to an end.

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Directors' Report

31 December 2023

(a) General information

Strategic

7. The Company has expanded its successful education program from preschool/primary schools to now include secondary schools. Each year, the Company delivers an "education focused" performance with its 'Access All Areas Live Stream Program'. The program engages students through performance, and with four interactive workshops, they explore the process of making the opera, how it's designed, insights into the power of the voice and significant references about the work itself. Students can also learn part of the musical score and ask more detailed questions as they progress through the program.
8. The newly delivered program 'Beyond The Stage' is an opportunity for Secondary School students to understand the creative process involved with new works commissioned by Victorian Opera. This new program is delivered across four ondemand workshops and an ondemand or intheatre viewing of a new operatic work. Finally, the students engage in a live streamed interactive Q&A session. The basis of each workshop has interviews with industry experts from the production team who provide insight into their work, artistic choices, and career pathways as they work to bring original Australian stories to life on the opera mainstage. This program is ideal for students from Years 7-12 studying Music of Theatre Studies who have a strong interest in devising new works for performance.
9. Stuart Maunder AM, incumbent Artistic Director, commenced working with the Victorian Opera Company in 2023, working with the company and the outgoing Artistic Director Richard Mills AM. Stuart commenced from March 2023 on a part-time basis and full-time from October 2023.
10. The Company actively seeks to establish collaborations and pathways with new partner organisations. Among the collaborations we have presented the world premiere of *The Butterfly Lovers* with renowned Singaporean theatre company, Wild Rice. Presented in Melbourne in October 2022 it had its Asian premiere in Singapore in May 2023. In July 2023, Victorian Opera and Opera Australia collaborated to present Mozart's epic *Idomeneo*.

We were also part of the Ten Days On The Island Festival, a collaboration with Tasmanian Symphony Orchestra and we assisted Short Black Opera with their presentation of Parrwang Lifts the Sky during NAIDOC week. These initiatives are in line with our Government priorities and viewed as essential for improvement and extension of creative ideas, providing more opportunities to Australian artists and sharing resources to make our industry stronger, more vibrant and resilient.

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 2023 the collective liability of members was \$ NIL (2022: \$ 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.

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Directors' Report

31 December 2023

(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.

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	8	8	2	2	4	3	-	-	-	-
Vivienne Corcoran	8	7	-	-	-	-	4	4	-	-
Grant Powell	8	7	-	-	-	-	-	-	4	4
Selina Lightfoot	8	8	-	-	4	4	-	-	4	4
Stephen McIntyre AM	5	4	2	2	-	-	-	-	-	-
Patricia Stebbens	8	7	-	-	4	4	-	-	-	-
Richard Kurth	8	8	2	1	-	-	-	-	-	-
Anna Pitt (On leave of absence)	_*	_*	-	-	_*	_*	-	-	-	-

* Leave of absence was approved by the Board.

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 2023

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 2023 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 19 April 2024


Victorian Opera Company Limited

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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 2023, 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.

DocuSigned by:

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Andrew Fisher, Partner (auditor registration number 306364) on behalf of
Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company registration number 294178 (ACN 115 749 598)

Melbourne, Australia

Dated 19 April 2024

Victorian Opera Company Limited

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2023**

	Note	2023 \$	2022 \$
Revenue from Operations			
Government Funding Revenue	4	4,720,920	4,864,054
Box office and performance income	4	1,824,654	1,277,597
Sponsorship, philanthropic and donation income	4	1,608,461	1,303,619
Other income	4	403,670	202,577
Total revenue from operations		<u>8,557,705</u>	<u>7,647,847</u>
Expenses			
Administrative expenses		(793,761)	(648,129)
Marketing and development expenses		(507,219)	(534,613)
Personnel expenses	5	(5,410,073)	(4,157,513)
Production expenses		(2,224,689)	(2,001,772)
Finance leases interest expense		(51,786)	(50,366)
Total Expenses		<u>(8,987,528)</u>	<u>(7,392,393)</u>
Net (Deficit)/Surplus from Operations		<u>(429,823)</u>	<u>255,454</u>

The accompanying notes form part of these financial statements.

Victorian Opera Company Limited

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Statement of Financial Position

31 December 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	7,080,033	6,980,352
Trade and other receivables	7	215,111	315,245
Other non-financial assets	8	96,453	90,634
TOTAL CURRENT ASSETS		<u>7,391,597</u>	<u>7,386,231</u>
NON-CURRENT ASSETS			
Right-of-use assets	9	666,876	294,148
Finance lease receivables	10	215,558	395,942
Property, plant and equipment	11	21,517	23,465
TOTAL NON-CURRENT ASSETS		<u>903,951</u>	<u>713,555</u>
TOTAL ASSETS		<u><u>8,295,548</u></u>	<u><u>8,099,786</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	683,708	584,121
Employee benefits	13	211,130	208,029
Other liabilities	14	461,489	174,999
Lease liabilities	15	453,301	249,422
TOTAL CURRENT LIABILITIES		<u>1,809,628</u>	<u>1,216,571</u>
NON-CURRENT LIABILITIES			
Trade and other payables	12	70,834	70,834
Employee benefits	13	8,640	5,377
Other liabilities	14	610	7,321
Lease liabilities	15	527,449	491,473
TOTAL NON-CURRENT LIABILITIES		<u>607,533</u>	<u>575,005</u>
TOTAL LIABILITIES		<u>2,417,161</u>	<u>1,791,576</u>
NET ASSETS		<u><u>5,878,387</u></u>	<u><u>6,308,210</u></u>
EQUITY			
Reserves		5,247,336	5,178,699
Accumulated surplus		631,051	1,129,511
TOTAL EQUITY		<u><u>5,878,387</u></u>	<u><u>6,308,210</u></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 2023

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

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 65% (2022: 85%) and a cash/expenditure ratio of 78% (2022: 94%).
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.

2022

	Accumulated Surplus	Bequest Reserve	General Reserve	"Building our Future" Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2022	882,747	1,270,009	2,400,000	1,500,000	6,052,756
Net surplus from operations	255,454	-	-	-	255,454
Transfer to bequest reserve	(8,690)	8,690	-	-	-
Balance at 31 December 2022	1,129,511	1,278,699	2,400,000	1,500,000	6,308,210

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 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grant donors	9,316,996	7,764,070
Payments to suppliers and employees	(9,316,570)	(7,642,423)
Finance lease income	16,899	26,092
Interest received	239,149	73,595
Interest earned on bequest funds	68,637	8,690
Net cash provided by operating activities	22 <u>325,111</u>	<u>230,024</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from finance lease (sub-lease)	180,384	163,601
Purchase of property, plant and equipment	<u>(11,503)</u>	-
Net cash provided by investing activities	<u>168,881</u>	<u>163,601</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(342,525)	(318,056)
Payment of finance lease interest	<u>(51,786)</u>	<u>(88,024)</u>
Net cash (used in) financing activities	<u>(394,311)</u>	<u>(406,080)</u>
Net cash provided by other activities	<u>-</u>	<u>-</u>
Net (decrease)/ increase in cash and cash equivalents held	99,681	(12,455)
Cash and cash equivalents at beginning of year	<u>6,980,352</u>	<u>6,992,807</u>
Cash and cash equivalents at end of financial year	6 <u><u>7,080,033</u></u>	<u><u>6,980,352</u></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 2023

The financial report covers Victorian Opera Company Limited as an individual entity. Victorian Opera Company Limited is a for-profit Company limited by shares, 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 19 April 2024.

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.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

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.

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Notes to the Financial Statements For the Year Ended 31 December 2023

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.

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Notes to the Financial Statements For the Year Ended 31 December 2023

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.

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements

For the Year Ended 31 December 2023

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.

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements For the Year Ended 31 December 2023

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.

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements

For the Year Ended 31 December 2023

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.

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(j). New Accounting Standards and Interpretations

The Company has adopted all standards which became effective for the first time at 31 December 2023; the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

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.

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements For the Year Ended 31 December 2023

4 Revenue and Other Income

	2023	2022
	\$	\$
Government funding revenue		
- Creative Victoria annual grant	3,894,368	3,840,600
- Stategic partnership program	137,524	73,134
- Australia Council grant	689,028	673,537
- Restart Investment to Sustain and Expand Fund Grant (RISE) – one off funding	-	276,783
Total Government funding revenue	<u>4,720,920</u>	<u>4,864,054</u>
Box office and performance income		
- Box office sales	850,831	1,260,499
- Co-Producer fees	965,360	-
- Performance and workshop fees	8,463	17,098
Total box office and performance income	<u>1,824,654</u>	<u>1,277,597</u>
Sponsorship, philanthropic and donation revenue		
- Corporate Sponsorship	510,000	359,160
- Philanthropic	494,865	423,705
- Donations	603,596	520,754
Total sponsorship, philanthropic and donation revenue	<u>1,608,461</u>	<u>1,303,619</u>
Other income		
- Interest received	239,149	73,595
- Interest earned on bequest funds	68,637	8,690
- Other income	95,884	120,291
Total other income	<u>403,670</u>	<u>202,576</u>
Total Revenue	<u><u>8,557,705</u></u>	<u><u>7,647,846</u></u>

5 Personnel expenses

	2023	2022
	\$	\$
Administration and marketing	1,353,079	1,010,373
Art and production salaries	3,520,795	2,779,003
Employee on-costs	536,199	368,137
Total personnel expenses	<u>5,410,073</u>	<u>4,157,513</u>

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements For the Year Ended 31 December 2023

6 Cash and Cash Equivalents

	2023	2022
	\$	\$
Bank balances	257,633	208,120
Short and medium term deposits	6,822,400	6,772,232
Total Cash and Cash Equivalents	7,080,033	6,980,352

7 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	103,416	167,948
Deposits	56,375	56,375
GST receivable	55,320	90,922
Total current trade and other receivables	215,111	315,245

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

	2023	2022
	\$	\$
CURRENT		
Prepayments	43,967	28,384
Accrued income and Other Debtors	31	38,031
Deferred production costs	52,455	24,219
Total other non-financial assets	96,453	90,634

Victorian Opera Company Limited

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Notes to the Financial Statements For the Year Ended 31 December 2023

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 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>

	Buildings
	\$
Year ended 31 December 2022	
Balance at beginning of year	22,981
Depreciation charge	(123,555)
Additions to right-of-use assets	<u>394,722</u>
Balance at end of year	<u><u>294,148</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:

	2023	2022
	\$	\$
Finance lease interest expense	(51,786)	(50,366)
Depreciation expense	<u>(209,650)</u>	<u>(123,555)</u>
	<u><u>(261,436)</u></u>	<u><u>(173,921)</u></u>

Victorian Opera Company Limited

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**Notes to the Financial Statements
For the Year Ended 31 December 2023****9 Leases****Company as a lessor****Finance leases**

The Company has sub-leased a property and has classified this within finance leases since the sub-lease is for the remaining life and under substantially the same terms as the head lease.

The Company entered into a sub-leasing contract on the Laurens Street property. The sub-lease took effect in March 2019 and will continue for the remaining useful life of the head lease, ending in January 2025.

Finance Leases	16,899	26,092
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10 Finance Lease Receivables

2023	2022
\$	\$

NON-CURRENT

Finance lease receivables	215,558	395,942
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Victorian Opera Company Limited

ABN 56 116 549 798

**Notes to the Financial Statements
For the Year Ended 31 December 2023****11 Property, plant and equipment**

PLANT AND EQUIPMENT

	2023	2022
	\$	\$
Production equipment		
At cost	170,289	170,289
Accumulated depreciation	(170,289)	(170,289)
Total plant and equipment	-	-
Furniture, fixtures and fittings		
At cost	54,517	54,517
Accumulated depreciation	(54,517)	(53,895)
Total furniture, fixtures and fittings	-	622
Office equipment		
At cost	229,128	217,625
Accumulated depreciation	(208,455)	(199,004)
Total office equipment	20,673	18,621
Improvements		
At cost	110,587	110,587
Accumulated Depreciation	(109,743)	(106,365)
Total improvements	844	4,222
Total property, plant and equipment	21,517	23,465

Victorian Opera Company Limited

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Notes to the Financial Statements For the Year Ended 31 December 2023

12 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	445,313	230,523
Sundry payables and accrued expenses	27,175	25,475
Accrued expenses	55,419	125,909
Other payables	155,801	202,214
Total trade and other payables	683,708	584,121

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	70,834
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13 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Provision for annual leave	100,094	77,833
Provision for long service leave	111,036	130,196
	211,130	208,029
NON-CURRENT		
Provision for long service leave	8,640	5,377
Total employee benefits provision	219,770	213,406

14 Other Liabilities

	2023	2022
	\$	\$
CURRENT		
Income received in advance	461,489	174,999
NON-CURRENT		
Lease incentive	610	7,321
Total other liabilities	462,099	182,320

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements For the Year Ended 31 December 2023

15 Lease Liabilities

	2023	2022
	\$	\$
CURRENT		
Lease liabilities	<u>453,301</u>	<u>249,422</u>
NON-CURRENT		
Lease liabilities	<u>527,449</u>	<u>491,473</u>

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.

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements For the Year Ended 31 December 2023

18 Key Management Personnel Remuneration

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

\$ 594,920 (2022: \$ 573,285).

19 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor (Banks Group Assurance Pty Ltd) for:		
- auditing or reviewing the financial statements	<u>22,000</u>	<u>20,000</u>

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2023 (31 December 2022: 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

	2023	2022
	\$	\$
(Deficit)/Surplus for the year	(429,823)	255,454
Non-cash flows in surplus:		
- depreciation	223,101	136,831
- lease liability interest expense	51,786	50,366
Changes in assets and liabilities:		
- (increase)/ decrease in trade and other receivables	100,134	(214,695)
- (increase)/ decrease in other assets	(5,819)	(65,571)
- increase in trade and other payables	92,878	186,580
- increase / (decrease) in employee benefits	6,364	(7,158)
- increase / (decrease) in other liabilities	286,490	(111,783)
Cashflows from operations	<u>325,111</u>	<u>230,024</u>

Victorian Opera Company Limited

ABN 56 116 549 798

Notes to the Financial Statements For the Year Ended 31 December 2023

23 Events after the end of the Reporting Period

The financial report was authorised for issue on 19 April 2024 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

Victorian Opera Company Limited

ABN 56 116 549 798

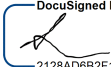
Directors' Declaration

The directors of the Company declare that:

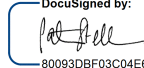
1. The financial statements and notes, as set out on pages 10 to 30, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2023 and 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

DocuSigned by:

2128AD6B2F1343B...
Genevieve Overell

Director

DocuSigned by:

80093DBF03C04E6...
Patricia Stebbens

Dated 19 April 2024

Victorian Opera Company Limited

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 2023, 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 2023 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.

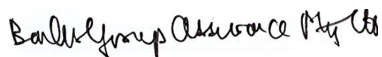
Victorian Opera Company Limited

Independent Audit Report to the members of Victorian Opera Company Limited

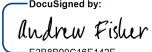
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.



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

DocuSigned by:

E2B8B90C16E142F
Andrew Fisher, Partner
Registration number 306364

Melbourne, Australia
19 April 2024