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To the Chair, Board of Management State Opera of South Australia

Opinion

I have audited the financial report of State Opera of South Australia for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of State Opera of South Australia as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Executive Director, Chair Board of Management and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of State Opera of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Executive Director and the Board of Management for the financial report

The Executive Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Director is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Executive Director is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board of Management is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* section 18(3) of the *State Opera of South Australia Act 1976*, I have audited the financial report of State Opera of South Australia for the financial year ended 30 June 2024.

My 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 my 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 State Opera of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Director
- conclude on the appropriateness of the Executive Director's 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity 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

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

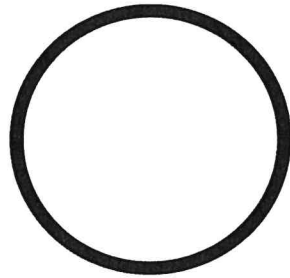
I communicate with the Executive Director and the Chair, Board of Management about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

22 September 2024

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STATE OPERA
SOUTH AUSTRALIA

ABN 31 382 679 566

STATE OPERA OF SOUTH AUSTRALIA

Financial Statements
for the year ended
30 June 2024

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STATE OPERA OF SOUTH AUSTRALIA
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STATE OPERA OF SOUTH AUSTRALIA
CERTIFICATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2024

We certify that the financial statements for the State Opera of South Australia :

- are in accordance with the accounts and records of the Company;
- comply with relevant Treasurer's Instructions issued,
- comply with relevant accounting standards; and
- present a true and fair view of the financial position of the Company at the end of the financial year and the result of its operations and cash flows for the financial year.

We certify that the internal controls employed by the State Opera of South Australia for the financial year over its financial reporting and its preparation of financial statements have been effective.

Date 12 September 2024



Mark Taylor
Executive Director



Ashley Miller
Chair Board of Management



Nicole Mathee CA
Chief Financial Officer

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STATE OPERA OF SOUTH AUSTRALIA

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|--|------|----------------|----------------|
| Income | | | |
| Revenues from SA Government | 2.1 | 1,632 | 1,531 |
| Commonwealth-sourced grants and funding | 2.2 | 1,708 | 2,370 |
| SA Government grants, subsidies and transfers | 2.3 | 110 | 162 |
| Sales of goods and services | 2.4 | 1,538 | 1,800 |
| Interest and dividends | 2.5 | 164 | 101 |
| Net changes in fair value of investments (FVTPL) | | 19 | 19 |
| Resources received free of charge | 2.6 | 5 | 5 |
| Other income | 2.7 | 1,026 | 341 |
| Total income | | 6,202 | 6,329 |
| Expenses | | | |
| Employee related expenses | 3.3 | 2,125 | 2,208 |
| Supplies and services | 4.1 | 2,825 | 3,205 |
| Depreciation and amortisation | 4.2 | 24 | 35 |
| Other expenses | 4.3 | - | 1 |
| Total expenses | | 4,974 | 5,449 |
| Net result from operations | | 1,228 | 880 |
| Share of results of associates | 4.4 | (83) | (86) |
| Net result for the period | | 1,145 | 794 |
| Total comprehensive result | | 1,145 | 794 |

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

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STATE OPERA OF SOUTH AUSTRALIA

STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|--------------------------------------|------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 6.2 | 4,715 | 3,250 |
| Receivables | 6.3 | 440 | 516 |
| Total current assets | | 5,155 | 3,766 |
| Non-current assets | | | |
| Other financial assets | 6.4 | 469 | 451 |
| Investments in associates | 6.5 | 46 | 129 |
| Property, plant and equipment | 5.1 | 30 | 51 |
| Intangible assets | 5.2 | 60 | 61 |
| Receivables | 6.3 | 95 | 64 |
| Total non-current assets | | 700 | 756 |
| Total assets | | 5,855 | 4,522 |
| Current liabilities | | | |
| Payables | 7.2 | 231 | 180 |
| Contract liabilities | 7.3 | 1,269 | 1,143 |
| Employee related liabilities | 3.4 | 123 | 88 |
| Provisions | 7.4 | 7 | 30 |
| Total current liabilities | | 1,630 | 1,441 |
| Non-current liabilities | | | |
| Employee related liabilities | 3.4 | 77 | 10 |
| Provisions | 7.4 | 30 | 98 |
| Total non-current liabilities | | 107 | 108 |
| Total liabilities | | 1,737 | 1,549 |
| Net Assets | | 4,118 | 2,973 |
| Equity | | | |
| Reserves | 8.1 | 1,629 | 1,675 |
| Retained earnings | 8.1 | 2,489 | 1,298 |
| Total Equity | | 4,118 | 2,973 |

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

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STATE OPERA OF SOUTH AUSTRALIA

| STATEMENT OF CHANGES IN EQUITY | | | | | | |
|--|---|-------------------------|----------------------------------|------------------------------------|------------------------|--------------|
| For the year ended 30 June 2024 | | | | | | |
| | Reserves Incentive Scheme Funds Reserve | Trust Funds Reserves | Future Productions Reserve | Significant Bequests Reserve | Accumulated Surplus | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 30 June 2022 | 313 | 1,050 | - | 276 | 540 | 2,179 |
| Total comprehensive result for 2022-23 | - | - | - | - | 794 | 794 |
| Transfer between equity components | 9 | 27 | - | - | (36) | - |
| Balance at 30 June 2023 | 322 | 1,077 | - | 276 | 1,298 | 2,973 |
| Total comprehensive result for 2023-24 | - | - | - | - | 1,145 | 1,145 |
| Transfer between equity components | (322) | (188) | - | 464 | 46 | - |
| Balance at 30 June 2024 | - | 889 | - | 740 | 2,489 | 4,118 |

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

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STATE OPERA OF SOUTH AUSTRALIA

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

| | Note No. | 2024 \$'000 | 2023 \$'000 |
|---|-------------|----------------|----------------|
| Cash flows from operating activities | | | |
| Cash inflows | | | |
| Revenues from SA Government | | 1,632 | 1,531 |
| Commonwealth-sourced grants and funding | | 2,007 | 1,879 |
| SA Government grants, subsidies and transfers | | 20 | 178 |
| Box office and production | | 1,581 | 1,816 |
| Sponsorship and donations | | 910 | 345 |
| Interest received | | 144 | 80 |
| Dividends received | | 20 | 21 |
| GST recovered from the ATO | 8.2 | (24) | 35 |
| Other receipts | | 128 | 17 |
| Cash generated from operations | | 6,418 | 5,902 |
| Cash outflows | | | |
| Employee related payments | | (2,102) | (2,208) |
| Payments for supplies and services | | (2,849) | (3,363) |
| Cash used in operations | | (4,951) | (5,571) |
| Net cash provided by/(used in) operating activities | | 1,467 | 331 |
| Cash flows from investing activities | | | |
| Cash outflows | | | |
| Purchase of property, plant and equipment | | (2) | (7) |
| Cash used in investing activities | | (2) | (7) |
| Net cash provided by/(used in) investing activities | | (2) | (7) |
| Net increase/(decrease) in cash and cash equivalents | | 1,465 | 324 |
| Cash and cash equivalents at the beginning of the period | | 3,250 | 2,926 |
| Cash and cash equivalents at the end of the period | 6.2 | 4,715 | 3,250 |

The accompanying notes form part of these financial statements.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 June 2024

1 About the State Opera of South Australia

State Opera of South Australia (the Company) is a not-for-profit entity in the State of South Australia. The Company is a statutory authority established pursuant to the *State Opera of South Australia Act 1976* and acts on behalf of the Crown.

The Company does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Company.

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities are recoverable from, or payable to, the ATO are classified as operating cash flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2 Objectives

The objective of the Company is to serve the Government and the people of South Australia by achieving excellence in the provision of operatic productions to the general public. The Company's main objectives are to:

- Present, produce, manage and conduct theatrical and operatic performances of any kind as may in its opinion tend to promote the art of the opera and related theatrical arts;
- Promote the training of all persons concerned in the production, presentation or performance of operatic or other related theatrical presentations;
- Assist financially or otherwise in the presentation, production, management or conduct of any theatrical or operatic production in this State;
- Promote public interest and participation in the art of the opera and related theatrical arts;
- Promote or commission the scoring and writing of operas and other theatrical works for operatic or theatrical performance; and
- Establish and conduct schools, courses, lectures, seminars and discussions on the art of the opera and related theatrical arts.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024**2 Income**

The Company is jointly funded through the Multi-Partite Funding Agreement with the SA Government (Arts South Australia) and the Australian Federal Government (Creative Australia). In addition, the Company raises income from its performances, sponsorship, donations and investments.

Where there is an enforceable agreement with sufficiently specific performance obligations, revenue is recognised under AASB 15 which requires recognition when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

AASB 1058 establishes principles for not-for-profit entities that apply to revenue streams which are either not enforceable or do not have sufficiently specific performance obligations to fall within AASB 15. AASB 1058 also applies to:

- a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and
- b) the receipt of volunteer services.

If the consideration provided to acquire an asset, including cash, is significantly less than the fair value of that asset, or if no consideration was provided, and the difference is principally to enable the entity to further its objectives, such a transaction is within the scope of AASB 1058.

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. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of goods and services tax (GST).

2.1 Revenues from SA Government

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Revenues from SA Government | 1,632 | 1,531 |
| Total Revenues from SA Government | 1,632 | 1,531 |

Total revenues from SA Government consist of \$1,632k (\$1,531k) allocated to the Company, is for operational funding.

Accounted for under AASB 1058

The revenue received from the State Government of South Australia, through Arts SA, is allocated and paid within a financial year and recognised upon receipt.

2.2 Commonwealth-sourced grants and funding

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Recurrent Grant | 1,708 | 1,655 |
| 2022-23 Grants | - | 715 |
| Total Commonwealth-sourced grants and funding | 1,708 | 2,370 |

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024**

Accounted for under AASB 15

Commonwealth funding is generally received from Creative Australia in the same calendar year that the funding is intended to relate to under the terms of the agreement. The funding bodies have the right to request unspent funds to be returned until such time as they are spent in accordance with the agreement. Where funding payments are received in advance, a financial liability will be recognised, representing the Company's contractual obligation to deliver cash in the event the funding bodies request it. The financial liability is derecognised and revenue is recognised as the funds are subsequently spent. The artistic program delivered by the Company is evenly spread throughout the season and funding is recognised in alignment with the delivery of the program.

2.3 SA Government grants, subsidies and transfers

| | 2024 | 2023 |
|--|------------|------------|
| | \$'000 | \$'000 |
| Grant for Frog Prince School Tour | 30 | - |
| Grant for Young Artist Program | 80 | - |
| 2022-23 Grants | - | 162 |
| Total SA Government grants, subsidies and transfers | 110 | 162 |

Accounted for under AASB 15

Grant revenue is allocated to each specific performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for completing each specific performance, program or activity.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

2.4 Sales of goods and services

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Ukaria: After Shakespeare Recital | 10 | - |
| Macbeth | 402 | - |
| Ukaria: After Rachmaninov Recital | 11 | - |
| Marriage of Figaro | 470 | - |
| Ukaria: After Mozart Recital | 20 | - |
| Adelaide Festival - The Nightingale | 240 | - |
| Candide | 310 | - |
| Schools: Frog Prince | 51 | - |
| Ukaria: American Dreams Recital | 11 | - |
| Young Artist Program | 2 | - |
| Opening Night Circle | 11 | - |
| 2022-23 Productions | - | 1,800 |
| Total Sales of goods and services | 1,538 | 1,800 |

Accounted for under AASB 15

The Company fulfils its performance obligation in relation to sales of goods and services at the point in time that the relevant production is performed. The transaction price is equal to the ticket sale price and is allocated entirely to the single performance obligation of completing the production. In most cases the ticket price is paid by the customer at the time of purchase.

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STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024

| 2.5 Interest and dividends | 2024 | 2023 |
|-------------------------------------|------------|------------|
| | \$'000 | \$'000 |
| Investment with SAFA | 139 | 73 |
| Cash and cash equivalents | 5 | 7 |
| Dividends | 20 | 21 |
| Total Interest and dividends | 164 | 101 |

| 2.6 Resources received free of charge | 2024 | 2023 |
|---|----------|----------|
| | \$'000 | \$'000 |
| Services received free of charge – Shared Services SA | 5 | 5 |
| Total Resources received free of charge | 5 | 5 |

Resources received free of charge were subsequently expensed as supplies and services in Note 4.1, at fair value when consumed/used.

| 2.7 Other income | 2024 | 2023 |
|--------------------------------------|--------------|------------|
| | \$'000 | \$'000 |
| Sponsorship | 107 | 89 |
| Donations and Bequests | 750 | 235 |
| Foundations | 50 | - |
| Hire/disposal of production elements | 48 | - |
| Sundry income | 71 | 17 |
| Total Other income | 1,026 | 341 |

Accounted for under AASB 15 - Sponsorship

Typically, sponsorship agreements require the Company to provide specific benefits to the sponsor, such as the provision of concert tickets or acknowledgement of the sponsor in season materials, over a specified time period. This will be allocated to each specific performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for completing each specific performance, program or activity. The transaction price is considered to be the value of the sponsorship as specified in the agreement.

Accounted for under AASB 15 - Foundations

Foundation revenue is received from the James and Diana Ramsay Foundation and relates to expenditure incurred for specific agreed program deliverables. The revenue is recognised as income over the periods necessary to match the foundation revenue to the costs for which they are compensating.

Accounted for under AASB 1058 - Donations/Bequests

Revenue from donations are generally recognised under AASB 1058 as cash payments or assets are received. An exception to this is where the Group receives a restricted legacy which is enforceable and sufficiently specific. In these cases, revenue is recognised under AASB 15 as the conditions are satisfied.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024**3 Board, committees and employees****3.1 Key management personnel**

Key management personnel of the Company include the Minister, the Executive Director, the Artistic Director, the Chief Financial Officer and the Board. Total compensation for key management personnel was \$375k in 2023-24 and \$459k in 2022-23.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the consolidated account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*."

Transactions with key management personnel and other related parties

Other than the remuneration paid in 2023-24, there were no other transactions with key management personnel and other related parties during the year.

3.2 Board and committee members

Members during the 2024 financial year were:

The State Opera of South Australia Board

Professor Ashley Miller (Chair - appointed Sep 2023)
Master Elizabeth Olsson (Chair - departed Aug 2023)
Dr Beata Byok
Dr Peter Goldsworthy
Ms Philippa Williams

Ms Imelda Alexopoulos
Dr Thomas Millhouse
Mrs Polly Tembel (departed Jun 2024)
Mrs Jane Doyle

Risk and Performance Committee

Dr Thomas Millhouse (Chair)
Dr Beata Byok

Ms Imelda Alexopoulos
Ms Philippa Williams

Board and committee remuneration

The board and committee members stated they would not accept a stipend for sitting on the Company's board.

3.3 Employee related expenses

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Salaries and wages | 1,831 | 1,911 |
| Long service leave | 67 | (4) |
| Annual leave | 42 | (34) |
| Employment on-costs - superannuation | 204 | 195 |
| Employment on-costs - other | 65 | 74 |
| Workers compensation | (91) | 34 |
| Other employee related expenses | 7 | 32 |
| Total Employee related expenses | 2,125 | 2,208 |

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024**

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the Company's contributions to superannuation plans in respect of current services of current employees.

Employment on-costs - other

The other employment on-cost charge represents the Company's payroll tax expense.

Workers compensation

As the Crown is self-insured, the liability for workers compensation is borne by the Company, as an instrumentality of the Crown. The provision is based on an actuarial assessment performed by the scheme actuary, Finity Consulting (PricewaterhouseCoopers (PwC) in prior year), with apportionment modelled on factors such as claims experience, comparative size, and risk factors.

Executive remuneration

The number of employees whose remuneration received or receivable falls within the following bands:

\$160 001 to \$186 000

Total

| 2024 | 2023 |
|----------|----------|
| No. | No. |
| 1 | 1 |
| 1 | 1 |

The total remuneration received by those employees for the year was \$185k in 2023-24 and \$181k in 2022-23.

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Company.

3.4 Employee related liabilities

| | 2024 | 2023 |
|---|------------|-----------|
| | \$'000 | \$'000 |
| Current | | |
| Accrued salaries and wages | 40 | 49 |
| Annual leave | 63 | 28 |
| Employment on-costs | 20 | 11 |
| Total Current Employee related liabilities | 123 | 88 |
| Non-current | | |
| Long service leave | 64 | 9 |
| Employment on-costs | 13 | 1 |
| Total Non-current Employee related liabilities | 77 | 10 |
| Total Employee related liabilities | 200 | 98 |

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 June 2024

Employee related liabilities accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee related liabilities are measured at present value and short-term employee related liabilities are measured at nominal amounts.

Salaries and wages, annual leave, and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all special leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations in 2024 (external consultant in Public Practice in 2023), which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of services.

The discount rate is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2023 (4.0%) to 2024 (4.25%). This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an immaterial increase in the reported long service leave liability.

The current portion of employee related liabilities reflects the amount for which the company does not have right to defer settlement for at least 12 months after reporting date. The Company has no current unconditional portion of long service leave provision as it relates to an unconditional legal entitlement to payment arising after 10 years of service.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees.

The Company contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board or other superannuation schemes.

The average factor for the calculation of employer superannuation cost on-costs has changed from the 2023 rate of 11.1% to 11.5%. These rates are used in the employment on-costs calculation. The net financial effect of the changes in the current financial year is immaterial.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024

4 Expenses

Employee related expenses are disclosed in note 3.3.

4.1 Supplies and services

| | 2024 \$'000 | 2023 \$'000 |
|--|----------------|----------------|
| Accommodation | 247 | 236 |
| Advertising and marketing | 205 | 235 |
| Consultants | - | 52 |
| Contractors - performers, creatives, technical | 799 | 702 |
| General administration and consumables | 195 | 191 |
| Information technology expenses | 57 | 61 |
| Minor works, maintenance and equipment | 12 | 7 |
| Production expense | 645 | 736 |
| Telecommunications | 12 | 12 |
| Travel | 159 | 226 |
| Venue hire and expenses | 494 | 747 |
| Total Supplies and services | 2,825 | 3,205 |

Accommodation

The Company's accommodation is provided by the Department for Infrastructure and Transport, under Memoranda of Administrative Arrangement (MoAA), issued in accordance with Government-wide accommodation policies. These MoAA do not meet the definition of lease set out in AASB 16.

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

| | 2024 No | 2024 \$'000 | 2023 No | 2023 \$'000 |
|-------------------|------------|----------------|------------|----------------|
| Below \$10 000 | - | - | 1 | 4 |
| \$10 000 or above | - | - | 2 | 48 |
| Total | - | - | 3 | 52 |

General administration and consumables

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 were \$27k (\$27k). No other services were provided by the Auditor General's Department.

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024**

| 4.2 Depreciation and amortisation | 2024 \$'000 | 2023 \$'000 |
|--|----------------|----------------|
| Production equipment | 7 | 8 |
| Furniture and equipment | 2 | 2 |
| Computer equipment | 14 | 14 |
| Intangible assets | 1 | 11 |
| Total Depreciation and amortisation | 24 | 35 |

All non-current assets not held for sale with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

The Company assessed the Australian Opera Digital Library (AODL), an intangible asset created in 2021-22, as having an indefinite useful life, and has therefore not been amortised. Its useful life will be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite will be accounted for as a change in an accounting estimate.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

| Class of asset | Useful life (years) |
|-------------------------|---------------------|
| Production equipment | 5-20 |
| Furniture and equipment | 5-10 |
| Computer equipment | 3 |
| Intangible assets | 5 |

Depreciation and amortisation methods are reviewed annually.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

| 4.3 Other expenses | 2024 \$'000 | 2023 \$'000 |
|--|----------------|----------------|
| Property, plant and equipment write-offs | - | 1 |
| Total Other expenses | - | 1 |

| 4.4 Share of results of associates | 2024 \$'000 | 2023 \$'000 |
|---|----------------|----------------|
| Share of The Opera Conference losses | 83 | 86 |
| Total Share of results of associates | 83 | 86 |

The loss represents the Company's 20% interest in The Opera Conference Partnership. For further information refer to Note 6.5 Investments in associates.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024

5 Non-financial assets

The Company holds sufficient assets to deliver and administer its program of performances.

5.1 Property, plant and equipment

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

| | Production equipment \$'000 | Furniture and equipment \$'000 | Computer equipment \$'000 | Total \$'000 |
|--------------------------|-----------------------------------|--------------------------------------|---------------------------------|-----------------|
| Gross carrying amount | 220 | 50 | 118 | 388 |
| Accumulated depreciation | (199) | (45) | (114) | (358) |
| Carrying amount | 21 | 5 | 4 | 30 |

Reconciliation 2023-24

| | | | | |
|---|-----------|----------|----------|-----------|
| Carrying amount at the beginning of year | 28 | 7 | 16 | 51 |
| Additions | - | - | 2 | 2 |
| Depreciation expense | (7) | (2) | (14) | (23) |
| Carrying amount at the end of the year | 21 | 5 | 4 | 30 |

Plant and equipment with a value equal to, or in excess of, \$1k is capitalised, otherwise it is expensed. Plant and equipment owned by the Company is recorded at fair value.

There are no indicators of impairment at 30 June 2024.

5.2 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of, or internal development of, software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5k.

The carrying value of the Australian Opera Digital Library (AODL), an intangible asset created in 2021-22, is \$60k and is included in the total intangible assets. The company has assessed the AODL as having an indefinite useful life due to its intrinsic value not being lost over time as a piece of operatic history and educational resource, and has therefore not been amortised. Its useful life will be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite will be accounted for as a change in an accounting estimate.

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
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| | Purchased computer software \$'000 | Australian Opera Digital Library \$'000 | Total \$'000 |
|---|---|---|-----------------|
| Gross carrying amount | 51 | 60 | 111 |
| Accumulated amortisation | (51) | - | (51) |
| Carrying amount | - | 60 | 60 |
| Reconciliation 2023-24 | | | |
| Carrying amount at the beginning of year | 1 | 60 | 61 |
| Amortisation expense | (1) | - | (1) |
| Carrying amount at the end of the year | - | 60 | 60 |

6 Financial assets**6.1 Categorisation of financial assets**

| | 2024 Carrying amount \$'000 | 2023 Carrying amount \$'000 |
|---|--------------------------------------|--------------------------------------|
| Financial assets | | |
| Cash and equivalents | | |
| Cash and cash equivalents | 4,715 | 3,250 |
| Financial assets at amortised cost | | |
| Receivables | 231 | 162 |
| Other financial assets | 469 | 451 |
| Total Financial assets | 5,415 | 3,863 |

Receivables as disclosed in this note does not include statutory amounts as these are not financial instruments.

6.2 Cash and cash equivalents

| | 2024 \$'000 | 2023 \$'000 |
|--|----------------|----------------|
| Short term deposits | 4,687 | 3,192 |
| Cash at bank | 28 | 58 |
| Total Cash and cash equivalents | 4,715 | 3,250 |

Short-term deposits are made for varying periods of between one day and three months. The deposits are lodged with the South Australian Government Financing Authority (SAFA) and private sector financial institutions and earn interest at the respective short-term deposit rates. As at the reporting dates, all deposits were held with SAFA.

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024**

6.3 Receivables

| | 2024 | 2023 |
|--------------------------------------|------------|------------|
| | \$'000 | \$'000 |
| Current | | |
| Contractual receivables | | |
| From non-government entities | 28 | 29 |
| Total Contractual receivables | 28 | 29 |
| Prepayments | 209 | 354 |
| Accrued revenues | 203 | 133 |
| Total Current Receivables | 440 | 516 |
| Non-current | | |
| Prepayments | 95 | 64 |
| Total Non-current Receivables | 95 | 64 |
| Total Receivables | 535 | 580 |

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Prepayments for production elements are recognised upon the receipt of invoices for the delivery of goods or services and held as such until the date of staging the production, at which time it is expensed in full. All other non-production related prepayments are recognised as invoiced for the period in advance, and the expense is recognised over the amortised period it relates to.

There are no Statutory Receivables at the reporting dates.

Allowance for impairment loss on receivables

Due to the minimal level of receivables held, from non-government entities, and timely basis in which they are settled, it has been determined that there is no impairment of receivables. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

6.4 Other financial assets

| | 2024 | 2023 |
|---|------------|------------|
| | \$'000 | \$'000 |
| Non-current | | |
| Shares and units held in listed entities | 469 | 451 |
| Total Non-current Other financial assets | 469 | 451 |

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024**

6.5 Investments in associates

| Non-current | 2024 | 2023 |
|--------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Investments in associates | 46 | 129 |
| Total Non-current investments | 46 | 129 |

Investments in associates

Under the Multi-Partite Funding Agreement with Creative Australia, the Company is awarded additional funding to be invested in an arrangement with Opera Australia, Opera Queensland and Western Australian Opera (known as The Opera Conference) to contribute towards local artist development. This funding is treated as partners' capital in the partnership financial statements and the losses are allocated to each partner.

The Company has a 20% financial interest in The Opera Conference Partnership and is considered to have significant influence over its operations.

In accordance with AASB 128, this investment has been accounted for using the equity method and has been tested for indications of impairment at the reporting date.

The audited financial statements of The Opera Conference Partnership have been relied upon to account for this investment in associates. Due to the impacts of COVID-19, the partnership ceased the majority of operations and therefore have no significant transaction or events to record.

Summarised financial information for The Opera Conference is set out below:

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Cash and cash equivalents | 638 | 653 |
| Receivables | 41 | 42 |
| Total assets | 679 | 695 |
| Payables ^a | 450 | 50 |
| Total net assets | 229 | 645 |
| Equity partner share (20%) | 46 | 129 |
| Cash contribution (between partnership and company reporting dates) | - | - |
| Investment in associate | 46 | 129 |

a Includes \$298k payable to Opera Australia and \$148k payable to Opera Queensland in 2023-24.

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024**

7 Liabilities

Employee related liabilities are disclosed in note 3.4.

7.1 Categorisation of financial liabilities

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | Carrying amount | Carrying amount |
| | \$'000 | \$'000 |
| <u>Financial liabilities</u> | | |
| Financial liabilities at amortised cost | | |
| Payables | 35 | 25 |
| Total Financial liabilities | 35 | 25 |

Payables as disclosed in this note does not include statutory amounts as these are not financial instruments.

7.2 Payables

| | 2024 | 2023 |
|-----------------------------------|------------|------------|
| | \$'000 | \$'000 |
| Current | | |
| Contractual Payables | | |
| Trade payables | 15 | 14 |
| Credit cards payable | 20 | 11 |
| Accrued expenses | 17 | 25 |
| Total Contractual Payables | 52 | 50 |
| Statutory Payables | | |
| Accrued expenses | 49 | 30 |
| GST payable | 93 | 75 |
| PAYG payable | 37 | 25 |
| Total Statutory Payables | 179 | 130 |
| Total Current Payables | 231 | 180 |

Payables and accruals are raised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables include accrued expenses for audit fees payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies, and the net amount of GST payable to the ATO. Statutory payables are carried at cost.

OFFICIAL

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
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7.3 Contract liabilities

| | 2024 | 2023 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Current | | |
| Advance box office | 220 | 147 |
| Advance sponsorship | 28 | 38 |
| Advance grants | 999 | 947 |
| Advance others | 22 | 11 |
| Total Current Contract liabilities | 1,269 | 1,143 |

Box office income of \$220k (\$147k) was deferred until the future periods in which the productions occur.

Sponsorship income of \$28k (\$38k) was deferred until the following financial year to the period of the production per the sponsorship agreement.

Grant income of \$999k (\$947k) received at the end of 2023-24, from Creative Australia and Arts SA, was deferred to support the Company's future programs.

Other unearned income of \$22k at the end of 2023-24 includes membership services to be provided to Opening Night Circle subscribers.

7.4 Provisions

| | Workers Compensation | Other | Total |
|---|-------------------------|----------------|----------------|
| | 2024 \$'000 | 2024 \$'000 | 2024 \$'000 |
| Carrying amount at the beginning of the period | 128 | - | 128 |
| Additions | 7 | - | 7 |
| Remeasurement | (100) | 2 | (98) |
| Carrying amount at the end of the period | 35 | 2 | 37 |

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. Refer to Note 3.3 for further explanation regarding the current year provision.

The Company is responsible for the payment of workers compensation claims.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024

8 Other disclosures

8.1 Equity

Equity consists of accumulated surpluses from the ordinary business operations of the Company and restricted reserves.

Future productions reserve

The Company's Reserves and Investment Policy, allows for surpluses over and above the required minimum unrestricted reserves to be ringfenced in the future productions reserve. Unrestricted reserves are to be maintained at a 20% of expenditure minimum in accordance with the Multi-Partite Funding Agreement with the SA Government (Arts South Australia) and the Australian Federal Government (Creative Australia).

These funds can be allocated at the end of each financial year, based on the greater of actual expenses in the current year and budgeted expenses for the year ahead, and are to be used on the commissioning, creation and/or delivery of an operatic production in subsequent years, rather than for general use.

Significant bequests reserve

In line with the Company's bequest management policy, the Significant Bequests Reserve ringfences unrestricted receipts in excess of \$10,000 for asset investment purposes.

Subject to specific board approval, the use of bequest monies may include but not be limited to such purposes as; the development and creation of the operatic artform, the development and delivery of State Opera programming, staff and artist fees, acquisition or maintenance of assets including property, infrastructure, equipment, technology and building improvements.

Reserves Incentive Scheme funds reserve

The Company entered into an agreement, known as the *Reserves Incentive Scheme Funding Agreement*, with Creative Australia and Arts SA during 2009-10. The Scheme was designed to encourage and assist the Major Performing Arts companies to strengthen their Statement of Financial Position by building reserves to a level that is sufficient to underpin their financial health.

The funds received under the Agreement were placed in escrow and were released into unrestricted reserves on 31 March 2024 by joint instruction from Creative Australia and Arts SA.

Trust funds reserve

Diana Ramsay Fund and the Thora and Frank Pearce Opera Foundation reflect Trust funds held and controlled by the Company.

Trust funds

The State Opera of South Australia holds funds in a trustee capacity. These funds are included in the financial statements as cash and investments as they are effectively controlled by the Company.

The State Opera administers the *Thora and Frank Pearce Opera Foundation*, established in August 1999, and the *Diana Ramsay Fund*, established in November 2001. The Foundation and the Fund are both financed by public donations. All funds are to be used exclusively for cultural purposes associated with opera.

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| | 2024 \$'000 | 2023 \$'000 |
|---|----------------|----------------|
| <i>Thora and Frank Pearce Opera Foundation</i> | | |
| Balance at the beginning of year | 210 | 205 |
| Interest revenue | - | 5 |
| Distribution for staging opera | (210) | - |
| Total Thora and Frank Pearce Opera Foundation | - | 210 |
| <i>Represented by:</i> | | |
| Cash and cash equivalents | - | 210 |
| Total Thora and Frank Pearce Opera Foundation | - | 210 |
| <i>Diana Ramsay Fund</i> | | |
| Balance at the beginning of year | 867 | 845 |
| Dividend income | 20 | 21 |
| Interest revenue | 18 | 13 |
| Distribution for surtitles/training young singers | (35) | (31) |
| Changes in market value of investments | 19 | 19 |
| Total Diana Ramsay Fund | 889 | 867 |
| <i>Represented by:</i> | | |
| Cash and cash equivalents | 420 | 416 |
| Other financial assets | 469 | 451 |
| Total Diana Ramsay Fund | 889 | 867 |
| Total Trust funds | 889 | 1,077 |

8.2 Cash flow

Cash flows are included in the Statement of Cash Flows 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 ATO is classified as part of operating cash flows.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2024

9 Outlook

9.1 Unrecognised commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

| <i>Expenditure commitments</i> | 2024 | 2023 |
|--|------------|------------|
| | \$'000 | \$'000 |
| Within one year | 238 | 231 |
| Later than one year but not longer than five years | 245 | - |
| Total unrecognised Expenditure commitments | 483 | 231 |

The Company's expenditure commitments are for agreements for:

- Memoranda of administrative arrangements with the Department for Infrastructure and Transport for accommodation at the Netley Opera Studio, which is used primarily as the business centre and rehearsal studio, as well as occasional performances and storage. This lease was renewed for a further 2 years and terminates on 11 June 2026.

| <i>Production related commitments</i> | 2024 | 2023 |
|--|------------|------------|
| | \$'000 | \$'000 |
| Within one year | 527 | 550 |
| Later than one year but not longer than five years | - | 21 |
| Total unrecognised Production related commitments | 527 | 571 |

The Company, by the nature of its operations, has entered into contracts with artists for performances scheduled to take place subsequent to the year end. The terms and conditions of the contracts may also place a liability on the Company to pay some or all of these amounts should the artist not be engaged, hired scenery, or costumes not used.

These commitments have been made on the basis that ongoing funding will continue from the State and Federal Governments at an appropriate level.

9.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Company is not aware of any contingent assets or contingent liabilities.

9.3 Events after the reporting period

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