

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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

Opinion

I have audited the financial report of the State Opera of South Australia for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the State Opera of South Australia as at 30 June 2026, 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 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Executive Director, the Chief Financial Officer and the Chair, Board of Management.

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 the 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 the 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 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* and section 18(3) of the *State Opera of South Australia Act 1976*, I have audited the financial report of the State Opera of South Australia for the financial year ended 30 June 2026.

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 the 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.

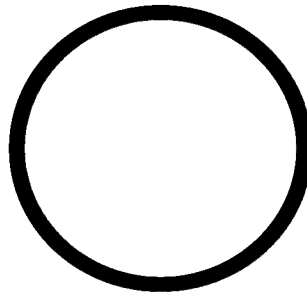
I communicate with the Executive Director and the Chair, Board of Management about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Deputy Auditor-General

8 September 2026

OFFICIAL



STATE OPERA
SOUTH AUSTRALIA

ABN 31 382 679 566

STATE OPERA OF SOUTH AUSTRALIA

**Financial Statements
for the year ended
30 June 2026**

STATE OPERA OF SOUTH AUSTRALIA
CONTENTS

	Page No.
Certification of the Financial Statements	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8

**STATE OPERA OF SOUTH AUSTRALIA
CERTIFICATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2026**

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 25 August 2026



Mark Taylor
Executive Director



Ashley Miller
Chair Board of Management



Nicole Mathee CA
Chief Financial Officer

STATE OPERA OF SOUTH AUSTRALIA

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Revenues from SA Government	3.1	1,352	1,502
Grants and subsidies	3.2	2,502	1,794
Sales of goods and services	3.3	1,912	1,179
Interest and dividends	3.4	199	214
Net changes in fair value of investments (FVTPL)		77	45
Resources received free of charge	3.5	225	33
Other income	3.6	1,130	1,042
Total income		7,397	5,809
Expenses			
Employee related expenses	4.1	2,283	1,933
Supplies and services	4.2	4,415	3,223
Depreciation and amortisation	5.6	30	17
Other expenses	4.3	-	63
Total expenses		6,728	5,236
Net result		669	573
Share of results of associates	4.4	(382)	(294)
Total comprehensive result		287	279

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

STATE OPERA OF SOUTH AUSTRALIA

STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	5.2	4,461	4,853
Receivables	5.3	1,179	576
Total current assets		5,640	5,429
Non-current assets			
Receivables	5.3	228	59
Other financial assets	5.4	843	774
Investments in associates	5.5	23	74
Property, plant and equipment	5.7	80	88
Total non-current assets		1,174	995
Total assets		6,814	6,424
Current liabilities			
Payables	6.2	151	201
Contract liabilities	6.3	1,613	1,560
Employee related liabilities	6.4	211	141
Provisions	6.5	6	6
Total current liabilities		1,981	1,908
Non-current liabilities			
Employee related liabilities	6.4	131	99
Provisions	6.5	18	20
Total non-current liabilities		149	119
Total liabilities		2,130	2,027
Net Assets		4,684	4,397
Equity			
Reserves	7.1	2,308	1,939
Retained earnings	7.1	2,376	2,458
Total Equity		4,684	4,397

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

STATE OPERA OF SOUTH AUSTRALIA

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Trust Funds Reserves	Significant Bequests Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2024	889	740	2,489	4,118
Total comprehensive result for 2024-25	-	-	279	279
Transfer between equity components	48	262	(310)	-
Balance at 30 June 2025	937	1,002	2,458	4,397
Total comprehensive result for 2025-26	-	-	287	287
Transfer between equity components	71	298	(369)	-
Balance at 30 June 2026	1,008	1,300	2,376	4,684

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

STATE OPERA OF SOUTH AUSTRALIA

STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note No.	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash inflows			
Revenues from SA Government		1,352	1,502
Grants and subsidies		2,267	2,180
Box office and production		1,830	1,198
Sponsorship and donations		1,070	696
Interest received		161	195
Dividends received		38	19
GST recovered from the ATO		258	(95)
Other receipts		33	98
		7,009	5,793
Cash outflows			
Employee related payments		(2,166)	(1,905)
Payments for supplies and services		(4,882)	(3,350)
		(7,048)	(5,255)
Net cash provided by/(used in) operating activities		(39)	538
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(22)	(78)
Contribution towards The Opera Conference	4.4	(331)	(322)
		(353)	(400)
Net cash provided by/(used in) investing activities		(353)	(400)
Net increase/(decrease) in cash and cash equivalents		(392)	138
Cash and cash equivalents at the beginning of the period		4,853	4,715
Cash and cash equivalents at the end of the period	5.2	4,461	4,853

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 2026**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 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 applying simplified disclosures.

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.

All amounts in the financial statements and accompanying notes are rounded to the nearest thousand dollars (\$'000).

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.

Assets that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the company has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

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.

Material accounting policies are set out throughout the notes.

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 2026**2 Board, committees and employees****2.1 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 \$547k in 2025-26 and \$461k in 2024-25.

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

A close family member of the Artistic Director is a performing artist. During the 2025-26 season, this family member was engaged to perform under normal commercial terms and conditions, with fees (including superannuation and travel allowances) totalling \$22k.

2.2 Board and committee members

Members during the 2026 financial year were:

The State Opera of South Australia Board

Professor Ashley Miller (Chair)

Ms Imelda Alexopoulos

Ms Philippa Williams

Ms Emma Slaytor (appointed Jul 2025)

Dr Beata Byok

Mrs Jane Doyle OAM

Dr Peter Goldsworthy

Mr Michael Harvey* (appointed Oct 2025)

Risk and Performance Committee

Ms Imelda Alexopoulos (Chair)

Ms Philippa Williams

Dr Beata Byok

Mr Michael Harvey* (appointed Mar 2026)

Board and committee remuneration

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

*This board member is a current SA Government employee. In accordance with Premier and Cabinet Circular 016, government employees do not receive any remuneration for board/committee duties during the financial year.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026

3 Income

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

3.1 Revenues from SA Government

Total Revenues from SA Government is for operational funding.

Accounted for under AASB 1058

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

3.2 Grants and subsidies

	2026 \$'000	2025 \$'000
Commonwealth-sourced grants		
National Partnership - operational funding	1,811	1,769
Grant for emerging producer internship program	51	-
Grant for The Magic Flute	200	-
Total Commonwealth-sourced grants	2,062	1,769
SA Government grants and subsidies		
Grant for fundraising campaign	200	-
Grant for market research and implementation	90	-
Grant for golden jubilee year activities	150	-
2024-25 Grants	-	25
Total SA Government grants and subsidies	440	25
Total Grants and subsidies	2,502	1,794

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.

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.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026

3.3 Sales of goods and services

	2026	2025
	\$'000	\$'000
Ukaria Jewels of the Bel Canto	13	-
The Magic Flute	479	-
Romeo et Juliette	832	-
Ukaria Treasures of Paris	19	-
Ukaria Passion & Pleasure	6	-
La Cenerentola	295	-
Norma	116	-
Artform Development Projects	1	-
Gala dinner	114	-
Out of town Opera	19	-
Opening Night Circle	18	13
2024-25 Productions	-	1,166
Total Sales of goods and services	1,912	1,179

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.

3.4 Interest and dividends

	2026	2025
	\$'000	\$'000
Interest from SAFA	156	189
Interest on bank accounts	5	6
Dividends	38	19
Total Interest and dividends	199	214

3.5 Resources received free of charge

	2026	2025
	\$'000	\$'000
Audit Office of SA - Audit services	29	28
Shared Services SA - ICT services	5	5
Department of Premier and Cabinet - Accommodation services	191	-
Total Resources received free of charge	225	33

Resources received free of charge were subsequently expensed as supplies and services in Note 4.2, at fair value when consumed/used.

The Company receives audit services free of charge from the Audit Office of South Australia in relation to work performed under the Public Finance and Audit Act 1987. No other services were provided by the Audit Office of South Australia.

The Company relocated from the accommodation at Netley to the Collinswood premises in November 2025. The new arrangement is managed by the Department of Premier and Cabinet, with accommodation services provided free of charge.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026

3.6 Other income

	2026	2025
	\$'000	\$'000
Sponsorship	110	95
Donations and Bequests	922	827
Foundations	75	30
Hire/disposal of production elements	-	42
Sundry income	23	48
Total Other income	1,130	1,042

Accounted for under AASB 15 - Sponsorship

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 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 Company 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 2026

4 Expenses**4.1 Employee related expenses**

	2026 \$'000	2025 \$'000
Salaries and wages	1,947	1,682
Long service leave	33	22
Annual leave	1	(13)
Superannuation	228	187
Workers compensation	(1)	(11)
Other employee related expenses	75	66
Total Employee related expenses	2,283	1,933

Superannuation

The superannuation expense represents the Company's contributions to superannuation plans in respect of current services of current employees.

Executive remuneration

The total remuneration received by one (1) employee for the year was \$216k in 2025-26 and \$201k in 2024-25.

This 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.

4.2 Supplies and services

	2026 \$'000	2025 \$'000
Accommodation	312	263
Advertising and marketing	259	242
Consultants	42	-
Contractors - performers, creatives, technical	1,166	736
General administration and consumables	295	231
Information technology expenses	62	50
Minor works, maintenance and equipment	13	30
Production expense	1,058	701
Season launch	73	-
Telecommunications	12	12
Travel	260	208
Venue hire and expenses	863	750
Total Supplies and services	4,415	3,223

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 accommodation costs are recognised as expenses as they become due, as the arrangements do not meet the definition of a lease set out in AASB 16.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026

General administration and consumables

Audit fees paid / payable to the Audit Office of South Australia relating to work performed under the Public Finance and Audit Act 1987 were \$29k (\$28k). No other services were provided by the Audit Office of South Australia.

4.3 Other expenses

	2026 \$'000	2025 \$'000
Impairment of intangible assets	-	60
Property, plant and equipment write-offs	-	3
Total Other expenses	-	63

Refer to note 5.8 for further information on impairment.

4.4 Share of results of associates

The loss represents the Company's 20% interest in The Opera Conference Partnership's operating deficit. For further information refer to Note 5.5 Investments in associates.

5 Assets**5.1 Categorisation of financial assets**

	2026 Carrying amount \$'000	2025 Carrying amount \$'000
Financial assets		
Cash and equivalents		
Cash and cash equivalents	4,461	4,853
Financial assets at amortised cost		
Receivables	720	311
Other financial assets	843	774
Total Financial assets	6,024	5,938

All financial assets are measured at amortised cost.

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

5.2 Cash and cash equivalents

	2026 \$'000	2025 \$'000
Short term deposits	4,273	4,733
Cash at bank	186	120
Cash on hand	2	-
Total Cash and cash equivalents	4,461	4,853

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 2026

5.3 Receivables

	2026	2025
	\$'000	\$'000
Current		
Contractual receivables		
From non-government entities	37	27
Total Contractual receivables	37	27
Statutory receivables		
GST receivable	20	6
Total Statutory receivables	20	6
Prepayments	439	259
Accrued revenues	683	284
Total Current Receivables	1,179	576
Non-current		
Prepayments	228	59
Total Non-current Receivables	228	59
Total Receivables	1,407	635

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.

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.

5.4 Other financial assets

	2026	2025
	\$'000	\$'000
Non-current		
Shares and units held in listed entities	843	774
Total Non-current Other financial assets	843	774

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026**

5.5 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 associate. Significant transactions of \$540k were expensed in the Partnership between its reporting date of 31 December 2025 and the Company's reporting date of 30 June 2026. The Company's 20% share of this expenditure (\$108k) has been recognised in the Company's financial statements and reflected in the carrying amount of the investment in associate.

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

	2026	2025
	\$'000	\$'000
Cash and cash equivalents	650	344
Receivables	-	82
Total assets	650	426
Payables	537	57
Total net assets	113	369
Equity partner share (20%)	23	74
Investment in associate	23	74

5.6 Depreciation and amortisation

	2026	2025
	\$'000	\$'000
Production equipment	8	7
Furniture and equipment	1	2
Computer equipment	12	5
Vehicles	9	3
Total Depreciation and amortisation	30	17

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.

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026**

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment 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
Vehicles	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.

5.7 Property, plant and equipment

Property, plant and equipment comprises tangible assets owned.

	Production equipment \$'000	Furniture and equipment \$'000	Computer equipment \$'000	Vehicles \$'000	Total \$'000
Gross carrying amount	207	37	62	47	353
Accumulated depreciation	(187)	(36)	(38)	(12)	(273)
Carrying amount	20	1	24	35	80

Reconciliation 2025-26

Carrying amount at the beginning of year	14	2	28	44	88
Additions	14	-	8	-	22
Depreciation expense	(8)	(1)	(12)	(9)	(30)
Carrying amount at the end of the year	20	1	24	35	80

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 2026.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026

5.8 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.

	Purchased computer software \$'000	Australian Opera Digital Library \$'000	Total \$'000
Gross carrying amount	51	60	111
Accumulated amortisation/impairment losses	(51)	(60)	(111)
Carrying amount	-	-	-

6 Liabilities**6.1 Financial liabilities**

	2026 Carrying amount \$'000	2025 Carrying amount \$'000
Financial liabilities		
Financial liabilities at amortised cost		
Payables	40	64
Total Financial liabilities	40	64

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

6.2 Payables

	2026 \$'000	2025 \$'000
Current		
Contractual Payables		
Trade payables	10	48
Credit cards payable	30	16
Accrued expenses	29	68
Total Contractual Payables	69	132
Statutory Payables		
Accrued expenses	29	33
PAYG payable	53	36
Total Statutory Payables	82	69
Total Current Payables	151	201

Contractual payables

Contractual payables are liabilities that arises from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received. Contractual payables are normally settled within 15 days from the date the invoice is received.

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026

Statutory payables

Statutory payables do not arise from contracts. Statutory payables include accrued expenses for audit fees payable to the Audit Office of South Australia 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. Statutory payables are carried at cost.

6.3 Contract liabilities

	2026	2025
	\$'000	\$'000
Current		
Advance box office	610	315
Advance sponsorship	8	27
Advance grants	965	1,200
Advance others	30	18
Total Current Contract liabilities	1,613	1,560

Box office income was deferred until the future periods in which the productions occur.

Sponsorship income was deferred until the following financial year to the period of the production per the sponsorship agreement.

Grant income received at the end of the financial year, from Creative Australia and Arts SA, was deferred to support the Company's future programs.

Other unearned income includes membership services to be provided to Opening Night Circle subscribers.

6.4 Employee related liabilities

	2026	2025
	\$'000	\$'000
Current		
Accrued salaries and wages	14	50
Annual leave	53	52
Employment on-costs	144	39
Total Current Employee related liabilities	211	141
Non-current		
Long service leave	109	82
Employment on-costs	22	17
Total Non-current Employee related liabilities	131	99
Total Employee related liabilities	342	240

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.

STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026**

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 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, 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 2025 (3.5%) to 2026 (4.5%). This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an immaterial decrease in the reported long service leave liability.

The current portion of employee related liabilities is based on the best estimate of the amount to be paid in the next 12 months based on leave taken in prior years.

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 respective superannuation schemes.

6.5 Provisions

	Workers Compensation	
	2026 \$'000	2025 \$'000
Carrying amount at the beginning of the period	26	37
Additions	6	7
Remeasurement	(8)	(18)
Carrying amount at the end of the period	24	26

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 2026 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.

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 2026

7 Other disclosures

7.1 Equity

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

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.

Trust funds reserve

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 *Diana Ramsay Fund*, established in November 2001. The Fund is financed by public donations. All funds are to be used exclusively for cultural purposes associated with opera.

Diana Ramsay Fund

Balance at the beginning of year
Dividend income
Interest revenue
Distribution for surtitles/training young singers
Changes in market value of investments

Total Diana Ramsay Fund*Represented by:*

Cash and cash equivalents
Other financial assets

Total Diana Ramsay Fund**Total Trust funds**

	2026 \$'000	2025 \$'000
Balance at the beginning of year	937	889
Dividend income	22	19
Interest revenue	16	18
Distribution for surtitles/training young singers	(36)	(34)
Changes in market value of investments	69	45
Total Diana Ramsay Fund	1,008	937
<i>Represented by:</i>		
Cash and cash equivalents	435	425
Other financial assets	573	512
Total Diana Ramsay Fund	1,008	937
Total Trust funds	1,008	937

STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 June 2026

8 Outlook

8.1 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.

Expenditure commitments

	2026 \$'000	2025 \$'000
Within one year	-	245
Total unrecognised Expenditure commitments	-	245

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. The arrangement for this accommodation concluded on 5 December 2025.

Production related commitments

	2026 \$'000	2025 \$'000
Within one year	832	359
Later than one year but not longer than five years	-	31
Total unrecognised Production related commitments	832	390

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.