1.2.3. Consulting
NEW AGE THINKING AND SOLUTIONS
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THE CAPE TOWN OPERA COMPANY NPC
(REGISTRATION NUMBER 1999/017712/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The main business of the Company is to promote and/or present opera and musical theatre, including performances by and training of singers and choirs; to provide training and learning programmes for educational institutions; and to provide outreach programmes and educational enrichment for the poor and needy; in South Africa and elsewhere.
Directors	SM Smith ZA Melane CA Cupido JM Dingaan CM Ras AJ Gabriel G Quixley
Registered office	The Artscape Theatre Centre 1-10 DF Malan Street Foreshore Cape Town 8001
Business address	The Artscape Theatre Centre 1-10 DF Malan Street Foreshore Cape Town 8001
Postal address	P O Box 4107 Cape Town 8000
Auditors	CBB Rödl & Partner Incorporated Chartered Accountants (S.A.) Registered Auditors
Tax reference number	9398043035
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act No. 71 of 2008.
Preparer	The annual financial statements were internally compiled by: 1.2.3. Consulting Proprietary Limited represented by: A. Dewlal Professional Accountant (SAIPA)

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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Directors' Responsibilities and Approval

The directors are required by the Companies Act No. 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2025 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 7 to 8.

The annual financial statements set out on pages 9 to 20, which have been prepared on the going concern basis, were approved by the board on 26 May 2025 and were signed on its behalf by:

SM Smith

ZA Melane

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of The Cape Town Opera Company NPC for the year ended 31 December 2024.

1. Review of activities: 2024

Cape Town Opera continued to grow in strength and impact in 2024, increasing its performance output, expanding its international footprint and advancing its core purpose: the development and celebration of South African vocal talent. As the only full-time opera company on the continent and one of South Africa's largest performing arts institutions, we remain firmly focused on sustaining opera as a living artform and giving South African voices the platform they deserve.

Employment

During the review period, Cape Town Opera provided permanent employment to 52 full-time staff members. We also issued numerous short-term contracts to singers, musicians, creatives, production staff and crew, reinforcing our commitment to job creation within the arts. Our hiring included the addition of a full-time Vocal Coach, marking an important step forward in artist development capacity.

The breakdown of permanent staff is as follows:

- Singers, artists and creative staff: 30 (2023: 37)
- Administrative staff: 11 (2023: 14)
- Production staff: 7 (2023: 5)
- Education: 4 (2023: 4)

The slight reduction in the number of singers, artists and creative staff at year-end reflects the timing of data capture - two Chorus members had recently left the company and had not yet been replaced, and the number of Young Artists fluctuates from year to year based on the calibre and experience of candidates suitable for the programme.

Artistic Projects

In 2024, Cape Town Opera delivered a record 203 performances across mainstage productions, concerts, community engagements, educational programmes and fundraising events.

Below is a list of all the productions and concerts delivered in 2024. The number in brackets denotes the number of performances of that show.

- **Staged**

  Suor Angelica/Gianni Schicchi (3) • *The Sound of Music:* Johannesburg (41) • *Master Class*: KKNK (4) • *Shorts Festival* (18) – 6 of each show: *Trial by Media, La voix humaine, The Impresario* • *Bon Appetit*: Suidoosterfees (3) • *I Got Rhythm*: With Cape Town City Ballet (9) • *Lucia di Lammermoor*: Artscape and Nelson Mandela Theatre (8) • *Porgy and Bess*: Shanghai and Beijing (3) • *Orpheus McAdoo* (18) • *My Fair Lady:* Cape Town (35)

- **Chorus Concerts**

  Maynardville: *Puccini in the Park* (1) • Starlight Classics (2) • Italian Embassy Puccini Event (2) – one in Cape Town, one in Lusaka • Mozart *Requiem*: Toringkerk (1) • Lunch Hour Concert (1) • Suidoosterfees Opera Gala (1) • *Morning Melodies* (1) • Bastille Day Performance (1) • Artscape Variety Gala (1) • *Horizons*: Cape Town and China (3) • Holy Night Christmas Concert (3)

- **C.R.E.A.T.E. Concerts**
  [Community, Relationships, Education, Access, Training, Employment]

  National Schools Tour Workshops (14) • Masiphumelele Event Judith Neilson (1) • Community Concerts (4) • *Opera Blocks: Jungle Journey* (12) • Magic Flute Workshop (1)

- **Fundraising Concerts**

  Latitude Event (1) • UK Friends Fundraiser (2) – one in Cape Town, one in London • USA Fundraiser – Washington (1) • Gerda Jung Golf Day (1) • Orpheus US Embassy Concert (1) • Visionary Circles reception (1) • HCI Alumni Event (1) • City Gala – Banquet Ball (1) • Consular Ball (1) • Patron Event 10/12 (1)

Directors' Report

. **Review of activities: 2024 (continued)**

Educational and Community Engagement

In 2024, Cape Town Opera took a major step forward in formalising its social impact work with the renaming of the Youth Development and Education Department to C.R.E.A.T.E. — an acronym for Community, Relationships, Education, Access, Training and Employment. The previous title no longer reflected the breadth or ambition of our programmes; the new name better captures the full scope of the department's work and aligns more closely with Cape Town Opera's development priorities and philanthropic objectives.

Under the C.R.E.A.T.E. umbrella now fall a wide range of programmes, including the *Foundation Studio*, *Judith Neilson Young Artist Programme*, Skills Development and Internships, *Opera Blocks*, School Workshops, Arts Access initiatives and more. Collectively, these activities reflect a significant expansion in both scope and investment compared to previous years.

The *National Schools Tour* travelled to cities and towns across seven provinces, reaching learners in locations including Richards Bay, Polokwane, Emalahleni, Bloemfontein, Johannesburg, Lusikisiki, Makhanda, Mossel Bay and Cape Town. Several of the learners that took part in the programme went on to achieve top honours at the district level of the South African Schools Choral Eisteddfod (SASCE), including multiple first-place awards in both soprano and baritone categories.

The *Judith Neilson Young Artist Programme* continued to evolve, with the addition of a full-time Vocal Coach and planned expansions to include training in movement, stagecraft and dialect. These developments will benefit young artists and other full-time singers in the company.

Awards

Cape Town Opera's artists and productions received numerous accolades during 2024. At the Fleur du Cap Theatre Awards, Brittany Smith was awarded *Best Lead Performance in a Musical* for *The Sound of Music*, while Nobulumko Mngxekeza and Lukhanyo Moyake received awards for *Best Female and Male Performance in an Opera* for their roles in *Tosca*. William Berger won *Best Supporting Actor in a Musical* for *The Sound of Music*. Founder and Honorary Patron of Cape Town Opera Angelo Gobbato received a well-deserved *Lifetime Achievement Award*. Brittany Smith also received the *Good Hope FM Warrior Woman Award* and the Cape Town Opera Chorus was named *Artist of the Year* at the Beijing Music Festival, coinciding with the company's debut in China.

Financial overview

The Company maintained its solid financial footing in 2024, bolstered by strong box office performance, generous non-government support - particularly from the Judith Neilson Foundation - private giving and successful international touring. Although government funding remains under pressure, the diversification of income streams has helped sustain a positive financial trajectory. On top of that, investment income saw an encouraging jump - from R330 000 to R707 000 - thanks to more cash sitting in the bank for longer.

Revenue increased by **15.80%** from 2023 to 2024. If we exclude the reimbursement of direct production expenses - such as travel costs to China initially covered by Cape Town Opera and later reimbursed - Cost of Sales increased by **36.26%**, reflecting a significantly expanded and ambitious production schedule. General expenses, meanwhile, decreased by **2.98%**.

The breakdown of sources of revenue is as follows:

- Non-government funding and grants: **49.89%** (2023: 39.57%)
- Box office, income from outside engagements, sundry income: **33.85%** (2023: 30.04%)
- Government: **11.99%** (2023: 17.78%)
- Individuals and patrons: **3.12%** (2023: 8.81%)
- Local production sponsorship: **1.15%** (2023: 3.80%)

*Please note that some 2023 to 2024 variances may appear unusual - this is due to improved and more precise categorisation of transactions in 2024, which means certain line items are not directly comparable with the previous year.

Conclusion

The Company's operations and financial status are detailed in these financial statements. The Company's surplus for the year ending 31 December 2024 was **R1 591 853**.

Directors' Report

2. Directors

The directors in office at the date of this report are as follows:

Directors	Changes
SM Smith	
ZA Melane	
CA Cupido	
WRE Duminy	Resigned 17 June 2024
JM Dingaan	
CM Ras	
AJ Gabriel	
G Quixley	

3. Borrowing powers

In terms of the Articles of Association of the company, the directors may exercise all powers of the company to borrow money as they consider appropriate.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act No. 71 of 2008.

7. Auditors

CBB Rödl & Partner Incorporated continued in office as auditors for the company for 2024.

8. Approval

The annual financial statements were approved by the board of directors and are signed on their behalf by SM Smith and ZA Melane on 26 May 2025.

CBB Rödl & Partner Inc.
Cape Town
Chartered Accountants (SA)
Registered Auditors

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CONTACT PERSON
Matthys Le Roux

Independent Auditor's Report

To the Members of The Cape Town Opera Company NPC

Opinion

We have audited the annual financial statements of The Cape Town Opera Company NPC set out on pages 9 to 20, which comprise the statement of financial position as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Cape Town Opera Company NPC as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act No. 71 of 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act No. 71 of 2008 and the supplementary information as set out on pages 21 to 23. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act No. 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 these annual financial statements.

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

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

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

CBB Rödl & Partner Inc

CBB Rödl & Partner Incorporated
Registered Auditors

Per: Matthys Johannes le Roux
Chartered Accountant (S.A.)
Registered Auditor
Director
02 June 2025
Cape town

Statement of Financial Position as at 31 December 2024

Figures in Rand	Note	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	2	6,890,375	6,834,048
Current Assets			
Trade and other receivables	3	1,964,176	2,510,108
Cash and cash equivalents	4	13,483,427	11,183,560
		15,447,603	**13,693,668**
Total Assets		**22,337,978**	**20,527,716**
Equity and Liabilities			
Equity			
Retained surplus		8,705,510	7,113,657
Liabilities			
Non-Current Liabilities			
Other financial liabilities	5	32,899	44,934
Current Liabilities			
Trade and other payables	6	447,368	492,254
Income received in advance		13,152,201	12,876,871
		13,599,569	**13,369,125**
Total Liabilities		**13,632,468**	**13,414,059**
Total Equity and Liabilities		**22,337,978**	**20,527,716**

Statement of Comprehensive Income

Figures in Rand	Note	2024	2023
Revenue	7	39,985,749	34,528,025
Cost of sales	8	(28,006,260)	(17,151,175)
Gross profit		**11,979,489**	**17,376,850**
Other income	9	4,635,650	-
Operating expenses	10	(15,698,694)	(16,181,335)
Operating profit		**916,445**	**1,195,515**
Investment revenue	11	707,686	331,992
Finance costs	12	(32,278)	(45,228)
Surplus for the year		**1,591,853**	**1,482,279**

Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 January 2023	**5,631,378**	**5,631,378**
Surplus for the year	1,482,279	1,482,279
Balance at 01 January 2024	**7,113,657**	**7,113,657**
Surplus for the year	1,591,853	1,591,853
Balance at 31 December 2024	**8,705,510**	**8,705,510**

Statement of Cash Flows

Figures in Rand	Note	2024	2023
Cash flows from operating activities			
Cash generated from operations	15	2,914,750	6,888,035
Interest income		1,167,052	1,171,036
Finance costs		(32,278)	(45,228)
Net cash from operating activities		**4,049,524**	**8,013,843**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1,737,622)	(3,201,703)
Cash flows from financing activities			
Repayments of other financial liabilities		(12,035)	(5,050)
Total cash movement for the year		**2,299,867**	**4,807,090**
Cash and cash equivalents at the beginning of the year		11,183,560	6,376,470
Total cash at end of the year	4	**13,483,427**	**11,183,560**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act No. 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management is required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Property, plant and equipment

Management makes judgments in allocating costs of scenery, props and costumes to the assets on initial recognition and subsequently on use in new productions.

Management makes judgments annually in determining the probability of recurring future productions and, on that basis, estimate the average useful lives of scenery, props and costumes as well as whether impairment is necessary.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

Impairment testing

The company reviews and tests the carrying value of property, plant and equipment when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of economic and other factors.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment.

1.2 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3 years
Costumes	Straight line	3 productions
Furniture and fixtures	Straight line	5 years
IT equipment	Straight line	3 years
Motor vehicles	Straight line	5 years
Scenery and props	Straight line	5 productions

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in surplus or deficit.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments are measured at fair value through surplus or deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

Accounting Policies

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.7 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.8 Government grants and other funding

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by services performed to date as a percentage of total services to be performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Figures in Rand	2024	2023

2. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Computer software	36,395	(36,395)	-	36,395	(36,395)	-
Costumes	5,810,522	(3,525,140)	2,285,382	6,465,740	(3,732,374)	2,733,366
Furniture and fixtures	396,064	(249,361)	146,703	346,101	(212,833)	133,268
IT equipment	710,049	(559,185)	150,864	545,275	(518,296)	26,979
Motor vehicles	1,074,052	(687,347)	386,705	1,074,052	(528,723)	545,329
Scenery and props	8,076,935	(4,156,214)	3,920,721	7,814,919	(4,419,813)	3,395,106
Total	**16,104,017**	**(9,213,642)**	**6,890,375**	**16,282,482**	**(9,448,434)**	**6,834,048**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Costumes	2,733,366	167,967	(615,951)	2,285,382
Furniture and fixtures	133,268	49,964	(36,529)	146,703
IT equipment	26,979	164,774	(40,889)	150,864
Motor vehicles	545,329	-	(158,624)	386,705
Scenery and props	3,395,106	1,354,917	(829,302)	3,920,721
	6,834,048	**1,737,622**	**(1,681,295)**	**6,890,375**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Impairment loss	Closing balance
Costumes	1,875,648	1,676,473	(794,658)	(24,097)	2,733,366
Furniture and fixtures	105,945	65,968	(38,645)	-	133,268
IT equipment	34,025	25,183	(32,229)	-	26,979
Motor vehicles	56,185	512,192	(23,048)	-	545,329
Scenery and props	3,217,683	921,887	(334,472)	(409,992)	3,395,106
	5,289,486	**3,201,703**	**(1,223,052)**	**(434,089)**	**6,834,048**

3. Trade and other receivables

	2024	2023
Accrued income	1,597,809	2,287,532
Other receivable	81,676	168,672
Trade receivables	(1)	53,904
VAT	284,692	-
	1,964,176	**2,510,108**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024	2023
Cash on hand	1,730	13,158
Bank balances	13,481,697	11,170,402
	13,483,427	**11,183,560**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

5. Other financial liabilities

At amortised cost		
Cape Town Opera Trust	32,899	44,934
The loan is unsecured, interest free and not subject to any fixed terms of repayment. It is anticipated that the loan will be converted into a donation to the company by the Cape Town Opera Trust on dissolution of the trust.		
Non-current liabilities		
At amortised cost	32,899	44,934

6. Trade and other payables

Accrued audit and accounting fees	13,163	134,146
Employee cost payable	297,216	246,402
Other payables	23,892	-
Trade payables	113,097	78,845
VAT	-	32,861
	447,368	**492,254**

7. Revenue

Box office and related income	11,231,528	8,168,870
CREATE Box office and project income	1,356,973	-
City of Cape Town	3,400,000	3,400,000
Income from outside engagements*	850,000	2,077,333
Individuals and Patrons*	1,246,907	3,043,575
Local production sponsorship	459,366	1,312,506
National Arts Council	595,000	698,000
National Lotteries Commission	-	1,039,690
Non-government funding and grants*	19,950,883	13,661,772
Sundry income	95,092	126,279
Western Cape Government DCAS	800,000	1,000,000
	39,985,749	**34,528,025**

*These variances are as a result of the company revising its accounting codes as part of improving categorisations of transactions.

8. Cost of sales

CREATE		
Production cost*	2,909,610	-
Other productions		
Local opera and other productions	20,461,000	17,151,175
Reimbursed direct production expenses	4,635,650	-
	25,096,650	**17,151,175**
	28,006,260	**17,151,175**

*This variance is as a result of the company revising its accounting codes as part of improving categorisations of transactions.

9. Other income

Reimbursement of direct production expenses	4,635,650	-

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

10. Operating expenses

Operating expenses include the following expenses:

Operating lease charges		
Premises		
• Contractual amounts	251,270	217,964

Impairment on property, plant and equipment	-	434,089
Depreciation of property, plant and equipment	1,681,295	1,223,052
Employee costs (not allocated to production cost)*	8,571,349	12,152,289
Employee cost (allocated to production cost)*	10,963,453	6,910,108
Employee cost (allocated to CREATE production cost)*	2,909,410	-

The increase in employee cost is due to a higher number of main stage operas produced in 2024 compared to 2023.

11. Investment revenue

Interest revenue		
Interest received from bank accounts	707,686	331,992

12. Finance costs

SARS penalties and interest	32,278	45,228

13. Taxation

In terms of section 10(1)(cN) of the Income tax Act 1962 as amended, the company has been approved by the Commissioner of the South African Revenue services as a Public Benefit Organisation. Accordingly, it is exempt from taxation.

The Public Benefit Organisation has also been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitation prescribed in section 18A of the Act.

14. Auditor's remuneration

Fees	69,421	172,042

The Auditor's remuneration expense for 2024 incorporates a reversal of amounts accrued in prior periods.

15. Cash generated from operations

Net profit before taxation	1,591,853	1,482,280
Adjustments for:		
Depreciation on property, plant and equipment	1,681,295	1,657,141
Investment income	(1,167,052)	(1,171,036)
Finance costs	32,278	45,228
Changes in working capital:		
(Increase) decrease in trade and other receivables	545,932	(2,319,217)
Increase (decrease) in trade and other payables	(44,886)	304,158
Increase (decrease) in deferred income	275,330	6,889,481
	2,914,750	**6,888,035**

The variance in Trade and other receivables and Trade and other payables arises from the timing misalignment between production activities during the fiscal year and the corresponding calendar year in which invoice payments are due.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

16. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	251,542	437,197
- in second to fifth year inclusive	865,290	1,150,209
	1,116,832	**1,587,406**

Operating lease payments represent rentals payable by the company for certain of its office properties and office equipment. The property lease has been negotiated for an average term of ten years and an annual increase of 7% is applicable. The lease for office equipment is negotiated for an average term of five years with an annual increase of 10%. No contingent rent is payable. The operating leases are presented exclusive of VAT.

17. Related parties

Relationships	
Member of the company	The Cape Town Opera Trust
	The Cape Town Opera Endowment Trust
	Opera Training Trust
Key management (CEO)	AJ Gabriel

Related party balances and transactions

Related party balances

Loan accounts - Owing (to) by related parties		
Cape Town Opera Trust	32,899	44,934

Related party transactions

Audit/Accounting fees incurred on behalf of related parties		
Cape Town Opera Endowment Trust	-	30,790
Cape Town Training Trust	-	5,350
Cape Town Opera Trust	12,035	-

Detailed Income Statement

Figures in Rand	Note	2024	2023
Revenue			
Box office and related income		11,231,528	8,168,870
CREATE Box office and project income		1,356,973	-
City of Cape Town		3,400,000	3,400,000
Income from outside engagements*		850,000	2,077,333
Individuals and patrons*		1,246,907	3,043,575
Local production sponsorship		459,366	1,312,506
National Arts Council		595,000	698,000
National Lotteries Commission		-	1,039,690
Non-government funding and grants		19,950,883	13,661,772
Sundry income		95,092	126,279
Western Cape Government DCAS		800,000	1,000,000
	7	**39,985,749**	**34,528,025**
Cost of sales			
Local opera and other productions		(20,461,000)	(17,151,175)
Reimbursed direct production expenses		(4,635,650)	-
CREATE - production costs*		(2,909,610)	-
	8	**(28,006,260)**	**(17,151,175)**
Gross profit		**11,979,489**	**17,376,850**
Other income			
Reimbursement of direct production expenses		4,635,650	-
Expenses (Refer to page 22)		**(15,698,694)**	**(16,181,335)**
Operating profit		**916,445**	**1,195,515**
Investment income	11	707,686	331,992
Finance costs	12	(32,278)	(45,228)
		675,408	**286,764**
Surplus for the year		**1,591,853**	**1,482,279**

*These variances are as a result of the company revising its accounting codes as part of improving categorisations of transactions.

Detailed Income Statement

Figures in Rand	Note	2024	2023
Operating expenses			
Auditors remuneration	14	69,421	172,042
Bank charges		41,421	25,262
Board expenses		18,415	30,836
CREATE expenses (Refer to page 23)		1,574,542	-
Computer expenses		240,813	305,757
Depreciation and impairment of property, plant and equipment		1,681,295	1,657,141
Employee costs		8,571,349	12,152,289
Fundraising expenses		1,258,105	291,232
Furniture and equipment expenses		24,469	33,919
Human resources expenses		17,231	-
Institutional marketing		451,611	355,769
Insurance		142,533	120,537
Loss on exchange difference		-	5,000
Office expenses		144,877	150,815
Printing and stationery		292,123	237,160
Rent and related operating expenses		251,270	217,964
Site cleaning cost		35,368	68,025
Staff welfare		46,386	49,849
Subscriptions		22,558	-
Telephone and fax		107,834	91,880
Travel - local		562,139	168,678
Wardrobe and design consumables		144,934	47,180
		15,698,694	**16,181,335**

Income Statement for CREATE Activities

Figures in Rand	Note	2024	2023
Revenue			
Project funding income		793,483	-
Box office income		563,490	-
		1,356,973	**-**
Cost of sales			
Production cost		(2,909,610)	-
Gross loss		**(1,552,637)**	**-**
Operating expenses			
Ad hoc crews		(18,413)	-
Airtime and data		(1,359)	-
Boarding and lodging		(270,058)	-
Books and educational material		(3,834)	-
Costumes and merchandise		(23,116)	-
Equipment hire		(1,877)	-
Food and beverages		(56,002)	-
General expenses		(71,066)	-
Marketing		(101,775)	-
Per diems		(71,484)	-
Stationery and printing		(7,987)	-
Travel and transport		(384,081)	-
Web ticket sales		(563,490)	-
		(1,574,542)	**-**
Deficit for the year		**(3,127,179)**	**-**