1.2.3. CONSULTING
Part of the SUMER Group

THE CAPE TOWN OPERA COMPANY NPC
(REGISTRATION NUMBER 1999/017712/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

The Cape Town Opera Company NPC
(Registration number: 1999/017712/08)
Annual Financial Statements for the year ended 31 December 2025

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 A. Dewlal Professional Accountant (SAIPA)

Index

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

The following supplementary information does not form part of the annual financial statements and is unaudited:

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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board. 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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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 2026 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 pages 8 to 9.

The annual financial statements set out on pages 10 to 21, which have been prepared on the going concern basis, were approved by the board on 25 May 2026 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 2025.

1. Review of activities: 2025

Cape Town Opera sustained — and in many areas expanded — the momentum of recent years in 2025, delivering 193 performances across mainstage productions, concerts, community engagements, educational programmes and fundraising events. The year was characterised by an unusually broad artistic programme — from a sold-out *My Fair Lady* season across Cape Town and Johannesburg to an African futurist *Aida*, a comedic *The Barber of Seville*, a return to the Joseph Stone Auditorium with *The Magic Flute* after seventeen years, and the December opening of *Cats*. The Company also opened a new distribution channel, releasing *Aida* into Ster-Kinekor cinemas nationally — a first for Cape Town Opera. As the only full-time opera company on the continent and one of South Africa's largest performing arts institutions, the Company remains firmly focused on sustaining opera as a living art form and giving South African voices the platform they deserve.

Employment

During the review period, Cape Town Opera provided permanent employment to 59 full-time staff members, with a gender breakdown of 36 women and 23 men. The Company also issued hundreds of short-term contracts to singers, musicians, creatives, production staff and crew, reinforcing its commitment to job creation within the arts.

Several structural appointments were made during the year. Mr Grenville Miller was appointed as Head of Human Resources in November (an upgraded role from the previous title of HR Manager), following the retirement of long-serving staff member Mr Gerald Petersen after 15 years. In the Development Office, following the departure of Ms Jennifer Renner to the Houston Symphony, Ms Kimberly Brennan was promoted to Head of Development and Marketing Operations.

The breakdown of permanent staff is as follows:

- Singers, artists and creative staff: 30 (2024: 30)
- Administrative staff: 14 (2024: 11)
- Production staff: 10 (2024: 7)
- Education: 5 (2024: 4)

The increase in permanent headcount from 52 in 2024 to 59 in 2025 reflects a deliberate strengthening of the Company’s operating capacity. While the core artistic complement remained stable, growth took place across the Development, Marketing, Education and Production departments, where additional capacity was required to support the Company’s expanding performance, training, development and audience-building activities.

Artistic Projects

In 2025, Cape Town Opera delivered 193 performances across staged productions (142), concerts (27) and C.R.E.A.T.E. programmes (24).

Below is a listing of our productions and concerts for the year. The number in brackets denotes the number of performances of that production or event.

Staged

My Fair Lady: Cape Town (Artscape Opera House) and Johannesburg (Teatro Montecasino) (56) • *Shorts: A Festival of Short Operas*: Wave Theatre (18) • *Aida*: Artscape Opera House (5) • *The Barber of Seville*: Theatre on the Bay and Woordfees Spier Amphitheatre (13) • *The Magic Flute*: Joseph Stone Auditorium and Woordfees HMS Bloemhof Centre (14) • *Orpheus McAdoo*: Artscape Theatre (14) • *Cats*: Artscape Opera House (22)

Chorus and Other Concerts

Maynardville Shakespeare in the Park (1) • Lunch Hour Concert, Artscape (1) • Fauré *Requiem* with the Cape Town Philharmonic Orchestra, Toringkerk Paarl (1) • Chorus Member Lula Nqadini Memorial Service, Artscape Chandelier Foyer (1) • Mandela Day Performance, Artscape (1) • Duet Endowment Trust Gala with the CPO (1) • DCAS Cultural Awards (1) • Alex Gabriel and Brittany Smith Songs of *Love and Solitude* Concert at Woordfees (1) • Helderberg Concert (1) • Christmas Lunch Hour Concert, Artscape (1) • *O Holy Night* Christmas Concerts with the CPO and VOX Cape Town, St George's Cathedral (3)

1. Review of activities: 2025 (continued)

C.R.E.A.T.E. Concerts and Programmes

[Community, Relationships, Education, Access, Training, Employment]

Bel Canto Bootcamp, Foundation Studio (1) • Shorts Workshops, Artscape and Wave Theatre (2) • *Aida* school performances at Artscape (2) • Bronwen Forbay Masterclass (1) • *Opera in Your Neighbourhood* — free chorus concerts in Gugulethu, Woodstock, Pinelands and Sarepta (4) • *The Magic Flute* Workshop at Durbanville High School (1) • *Opera Blocks* library tour for under-fives — Athlone, Edgemead, CT Central, Hout Bay and Langa libraries (10) • Pierre Boulez Saal Song Week Workshop at Stellenbosch University (1) • Puppetry Workshop (1) • Zolani Mahola Workshop (1)

Fundraising and Donor Concerts

Estate Planning Luncheon for the Encore Society (1) • UK Friends Soirée, Cape Town (1) • 2025 Season Preview (1) • Chairperson's Leadership Dinner, De Grendel (1) • Floquet and Tony Leon Event (1) • Willie Duminy Farewell (1) • UK Friends of Cape Town Opera Concert, St Paul's Knightsbridge London (1) • *Aida* Concept Presentation (1) • SAPI 'Opera in Africa' Conversation, Wave Theatre (1) • *Barber of Seville* Concept Presentation for Donors (1) • Performance at Craft School Launch (1) • Performance at Ellerman House (1) • Visionary Circles, Harleys' home (1) • Wendy Ackerman 90th Birthday (1)

Educational and Community Engagement

Under the C.R.E.A.T.E. umbrella — Community, Relationships, Education, Access, Training and Employment — Cape Town Opera continued to expand its social impact work in 2025. The Foundation Studio matriculated three students to the University of Cape Town: Ms Siphokazi Diamond, Ms Nonelelwa Ntsamba and Mr Kanya Mtala. Ms Diamond was subsequently honoured for academic excellence at Graça Machel Hall.

The Judith Neilson Young Artist Programme continued to develop talent of international standing. Young Artist Mr Lonwabo Mose was a finalist at the Hans Gabor Belvedere Competition in Bern, Switzerland, and was accepted into the Metropolitan Opera's Lindemann Young Artist Development Program in New York — one of the world's most prestigious training programmes for young opera singers. Young Artist Ms Khayakazi Madlala took second place at the UNISA Music Foundation Voice Competition. Foundation Studio Voice Teacher Ms Bongiwe Mcetywa was nominated to represent Opera and Musical Theatre (Western Cape) on the new South African Theatre Industry Chamber (SATIC).

Opera in Your Neighbourhood brought free chorus concerts to four Cape Town communities — Gugulethu, Woodstock, Pinelands and Sarepta — in partnership with the City of Cape Town. The *Opera Blocks: Forest Friends* library tour visited five Cape Town libraries with ten free performances for under-fives. A *Magic Flute* run at the Joseph Stone Auditorium in Athlone reached 2,555 learners, with Cape Town Opera bussing in 1,984 of them — the first Cape Town Opera production at Joseph Stone since 2008. Free *Aida* school performances during May reached close to 2,000 additional learners.

A new Technical Skills Development programme for stage management was launched on the back of the *Aida* production. Masterclasses during the year included a three-month residency by Ms Brenda Rein from Vienna preparing the *Aida* principals, alongside visits from Ms Bronwen Forbay, Ms Golda Schultz and Mr Jonathan Ware (Pierre Boulez Saal Song Week), Mr Clint van der Linde and the puppeteer Ms Roshina Ratman.

Awards

Cape Town Opera's artists and productions received substantial recognition during 2025. At the Fleur du Cap Theatre Awards in March, *My Fair Lady* led the Company's haul with five awards — Best Production, Best Set Design, Best Costume Design, Best Lead Actress in a Musical and Best Supporting Actor in a Musical — out of 19 nominations received by Cape Town Opera productions across the awards. At the Naledi Theatre Awards, *The Sound of Music* and *Lucia di Lammermoor* received a combined 15 nominations, winning six awards.

Cape Town Opera's artists, productions and training programmes received significant recognition during 2025. The Foundation Studio programme won Best After Schools Programme from the Western Cape Department of Cultural Affairs and Sport, while Foundation Studio soprano Ms Yongama Takane won the Open Section nationally and Best Soloist overall at the ABC Motsepe South African Schools Choral Eisteddfod. Internationally, Mr Lukhanyo Moyake won the BraVo International Music Award for Best Operatic Voice at the Bolshoi Theatre in Moscow. Vocal Ensemble member Mr Jason Atherton took first prize at the 6th South African Conductors' Competition, and Ms Brittany Smith was nominated at the 2nd Annual National Arts and Culture Awards. The Woordtrofees nominations included Mr Frankie van Straten for the design of T*he Magic Flute,* and Ms Brittany Smith and Mr Alex Gabriel for their *Songs of Love and Solitude* recital.

Directors' Report

1. Review of activities: 2025 (continued)

Financial overview

The Company recorded a deficit of R71,072 for the year ended 31 December 2025 (2024: surplus of R1,591,853). The narrowing of the surplus is principally attributable to the absence of an international touring revenue stream (2024 included R3,725,621 of touring income from the China tour) and a continued expansion of the local production schedule. Revenue was essentially flat year-on-year at R40,279,341 (2024: R39,985,749), with the underlying mix shifting meaningfully: local production sponsorship rose substantially and individuals and patrons income grew, while international touring contributed no revenue in 2025.

Cost of sales fell by 5.05% to R26,592,567 (2024: R28,006,260), driven principally by the absence of the China-related reimbursed expenses; underlying local opera and other production costs in fact rose to R23,156,781 (2024: R20,461,000), reflecting the ambitious production programme. Operating expenses fell by 4.59% to R14,978,778 (2024: R15,698,694). Investment income held essentially level at R709,208 (2024: R707,686).

The breakdown of sources of revenue is as follows:
- Non-government funding and grants: 49.48% (2024: 49.89%)
- Box office, sundry concerts and other income: 26.99% (2024: 33.85%, which included R3,725,621 of international touring income)
- Government: 12.41% (2024: 11.99%)
- Local production sponsorship: 6.21% (2024: 1.15%)
- Individuals and patrons: 4.90% (2024: 3.12%)

Property, plant and equipment increased to R8,418,715 (2024: R6,890,375), reflecting investment in scenery, props and costumes across the year's expanded production schedule. Cash and cash equivalents closed at R13,417,644 (2024: R13,483,427), essentially flat year-on-year, indicating that operating activity remained largely self-funding despite the modest deficit.

Conclusion

The Company's operations and financial status are detailed in these financial statements. The Company's deficit for the year ending 31 December 2025 was R71,072.

Directors' Report

2. Directors

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

Directors
SM Smith
ZA Melane
CA Cupido
JM Dingaan
CM Ras
AJ Gabriel
G Quixley

There have been no changes to the directorate for the period under review.

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 2025.

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 25 May 2026.

RÖDL

We pave the way.
Worldwide.

roedl.com

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

6th Floor, Sunclare Building
21 Dreyer Street, Claremont 7708

T +27 21 418 2350
kapstadt@roedl.com

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 (the company) set out on pages 10 to 21, which comprise the statement of financial position as at 31 December 2025; and the statement of comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and 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 2025, and its financial performance and cash flows for the year then ended, in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of 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 information included in the document titled "The Cape Town Opera Company NPC annual financial statements for the year ended 31 December 2025", which includes the Directors' Report as required by the Companies Act No. 71 of 2008 and the supplementary information as set out on pages 22 to 24. 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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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
26 May 2026
Cape Town

Statement of Financial Position as at 31 December 2025

Figures in Rand	Note	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	2	8,418,715	6,890,375
Current Assets			
Trade and other receivables	3	2,062,207	1,964,176
Cash and cash equivalents	4	13,417,644	13,483,427
		15,479,851	**15,447,603**
Total Assets		**23,898,566**	**22,337,978**
Equity and Liabilities			
Equity			
Retained surplus		8,634,438	8,705,510
Liabilities			
Non-Current Liabilities			
Other financial liabilities	5	29,125	32,899
Current Liabilities			
Trade and other payables	6	585,246	447,368
Income received in advance		14,649,757	13,152,201
		15,235,003	**13,599,569**
Total Liabilities		**15,264,128**	**13,632,468**
Total Equity and Liabilities		**23,898,566**	**22,337,978**

The Cape Town Opera Company NPC
(Registration number: 1999/017712/08)
Annual Financial Statements for the year ended 31 December 2025

Statement of Comprehensive Income

Figures in Rand	Note	2025	2024
Revenue	7	40,279,341	39,985,749
Cost of sales	8	(26,592,567)	(28,006,260)
Gross profit		**13,686,774**	**11,979,489**
Other income	9	511,724	4,635,650
Operating expenses	10	(14,978,778)	(15,698,694)
Operating (deficit) surplus		**(780,280)**	**916,445**
Investment revenue	11	709,208	707,686
Finance costs	12	-	(32,278)
(Deficit) surplus for the year		**(71,072)**	**1,591,853**

Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 January 2024	**7,113,657**	**7,113,657**
Surplus for the year	1,591,853	1,591,853
Balance at 01 January 2025	**8,705,510**	**8,705,510**
Deficit for the year	(71,072)	(71,072)
Balance at 31 December 2025	**8,634,438**	**8,634,438**

Statement of Cash Flows

Figures in Rand	Note	2025	2024
Cash flows from operating activities			
Cash generated from operations	15	2,063,744	2,914,750
Interest income		724,683	1,167,052
Finance costs		-	(32,278)
Net cash from operating activities		**2,788,427**	**4,049,524**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2,850,436)	(1,737,622)
Cash flows from financing activities			
Repayments of other financial liabilities		(3,774)	(12,035)
Total cash movement for the year		**(65,783)**	**2,299,867**
Cash and cash equivalents at the beginning of the year		13,483,427	11,183,560
Total cash at end of the year	4	**13,417,644**	**13,483,427**

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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board, and the Companies Act No. 71 of 2008. The annual financial statements have been prepared on the historical cost basis, 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 are 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, investment property on the cost model and intangible assets 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 depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

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.

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.

Provisions are not recognised for future operating losses.

1.8 Grants and other funding

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

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

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	2025	2024

2. Property, plant and equipment

	2025			2024		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Furniture and fixtures	396,064	(291,909)	104,155	396,064	(249,361)	146,703
Motor vehicles	1,074,052	(789,785)	284,267	1,074,052	(687,347)	386,705
IT equipment	789,015	(636,207)	152,808	710,049	(559,185)	150,864
Computer software	36,395	(36,395)	-	36,395	(36,395)	-
Scenery and Props	9,744,565	(4,786,842)	4,957,723	8,076,935	(4,156,214)	3,920,721
Costumes	6,886,029	(3,966,267)	2,919,762	5,810,522	(3,525,140)	2,285,382
Total	**18,926,120**	**(10,507,405)**	**8,418,715**	**16,104,017**	**(9,213,642)**	**6,890,375**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Impairment loss	Closing balance
Furniture and fixtures	146,703	-	(42,548)	-	104,155
Motor vehicles	386,705	-	(102,438)	-	284,267
IT equipment	150,864	78,966	(77,022)	-	152,808
Scenery and Props	3,920,721	1,695,963	(636,294)	(22,667)	4,957,723
Costumes	2,285,382	1,075,507	(441,127)	-	2,919,762
	6,890,375	**2,850,436**	**(1,299,429)**	**(22,667)**	**8,418,715**

Reconciliation of property, plant and equipment - 2024

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

3. Trade and other receivables

	2025	2024
Accrued income	1,500,000	1,597,809
Other receivables	312,982	81,675
VAT	249,225	284,692
	2,062,207	**1,964,176**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025	2024
Cash on hand	1,730	1,730
Bank balances	13,415,914	13,481,697
	13,417,644	**13,483,427**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Other financial liabilities

At amortised cost		
Cape Town Opera Trust	29,125	32,899
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	29,125	32,899

6. Trade and other payables

Accrued audit and accounting fees	-	13,163
Employee cost payable	484,329	297,216
Other payables	53,032	23,892
Trade payables	47,885	113,097
	585,246	**447,368**

7. Revenue

Box office income	8,620,791	6,976,877
CREATE income	808,097	1,356,973
Local production sponsorship	2,500,000	850,000
Touring income	-	3,725,621
Sundry concerts and other income	1,353,403	529,030
City of Cape Town	3,400,000	3,400,000
Western Cape Government DCAS	750,000	800,000
National Arts Council	850,000	595,000
Non-government funding and grants	19,930,904	19,950,883
Individuals and patrons	1,974,750	1,246,907
Sundry non-operating income	91,396	554,458
	40,279,341	**39,985,749**

Some of the comparative figures disclosed in the Revenue note has been reclassified as a result of the company revising its accounting codes as part of improving categorisations of transactions.

8. Cost of sales

CREATE		
Production cost	3,403,409	2,909,610
Other productions		
Local opera and other productions	23,156,781	20,461,000
Reimbursed direct production expenses	32,377	4,635,650
	23,189,158	**25,096,650**
	26,592,567	**28,006,260**

9. Other income

Reimbursement of direct production expenses	32,377	4,635,650
Insurance claim received	479,347	-
	511,724	**4,635,650**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

10. Operating expenses

Operating expenses include the following expenses:

Operating lease charges		
Premises		
• Contractual amounts	272,621	251,270

Impairment on property, plant and equipment	22,667	-
Depreciation on property, plant and equipment	1,299,429	1,681,295
Employee cost (not allocated to production cost)	9,193,953	8,571,349
Employee cost (allocated to production cost)	15,679,033	10,963,453
Employee cost (allocated to CREATE production cost)	3,403,409	2,909,410

11. Investment revenue

Interest revenue		
Interest received from bank accounts	709,208	707,686

12. Finance costs

SARS penalties and interest	-	32,278

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	160,368	69,421

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

15. Cash generated from operations

Net (loss) profit before taxation	(71,072)	1,591,853
Adjustments for non-cash items:		
Depreciation, amortisation, impairments and reversals of impairments	1,322,096	1,681,295
Adjust for items which are presented separately:		
Investment income	(724,683)	(1,167,052)
Finance costs	-	32,278
Changes in working capital:		
(Increase) decrease in trade and other receivables	(98,031)	545,932
Increase (decrease) in trade and other payables	137,878	(44,886)
Increase (decrease) in deferred income	1,497,556	275,330
	2,063,744	**2,914,750**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

16. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	586,862	540,372
- in second to fifth year inclusive	1,337,475	1,924,337
	1,924,337	**2,464,709**

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	29,125	32,899

Related party transactions

Audit/Accounting fees incurred on behalf of related parties		
Cape Town Opera Endowment Trust	23,633	-
Cape Town Opera Trust	3,774	12,035

Compensation paid

Short-term employee benefits	1,305,287	1,123,786

Detailed Income Statement

Figures in Rand	Note	2025	2024
Revenue			
Box office income		8,620,791	6,976,877
CREATE income		808,097	1,356,973
Local production sponsorship		2,500,000	850,000
Touring income		-	3,725,621
Sundry concerts and other income		1,353,403	529,030
City of Cape Town		3,400,000	3,400,000
Western Cape Government DCAS		750,000	800,000
National Arts Council		850,000	595,000
Non-government funding and grants		19,930,904	19,950,883
Individuals and patrons		1,974,750	1,246,907
Sundry non-operating income		91,396	554,458
	7	**40,279,341**	**39,985,749**
Cost of sales			
Local opera and other productions		(23,156,781)	(20,461,000)
Reimbursed direct production expenses		(32,377)	(4,635,650)
CREATE - production costs		(3,403,409)	(2,909,610)
	8	**(26,592,567)**	**(28,006,260)**
Gross profit		**13,686,774**	**11,979,489**
Other income			
Reimbursement of direct production expenses		32,377	4,635,650
Insurance claim received		479,347	-
		511,724	**4,635,650**
Expenses (Refer to page 23)		**(14,978,778)**	**(15,698,694)**
Operating (loss) profit		**(780,280)**	**916,445**
Investment income	11	709,208	707,686
Finance costs	12	-	(32,278)
		709,208	**675,408**
(Deficit) surplus for the year		**(71,072)**	**1,591,853**

Detailed Income Statement

Figures in Rand	Note	2025	2024
Operating expenses			
Auditors remuneration	14	160,368	69,421
Bank charges		53,901	41,421
Board expenses		51,700	18,415
CREATE expenses (Refer to page 24)		516,718	1,574,542
Computer expenses		295,076	240,813
Depreciation and impairment of property, plant and equipment		1,322,096	1,681,295
Employee costs		9,193,953	8,571,349
Fundraising expenses		942,104	1,258,105
Furniture and equipment expenses		38,665	24,469
Human resources expenses		57,497	17,231
Institutional marketing		633,627	451,611
Insurance		136,938	142,533
Office expenses		107,923	144,877
Printing and stationery		283,994	292,123
Rent and related operating expenses		272,621	251,270
Site cleaning cost		262,066	35,368
Staff welfare		119,816	46,386
Subscriptions		34,856	22,558
Telephone and fax		113,466	107,834
Travel - local		220,733	562,139
Wardrobe and design consumables		160,660	144,934
		14,978,778	**15,698,694**

Income Statement for CREATE Activities

Figures in Rand	Note	2025	2024
Revenue			
Local production sponsorship		647,149	793,483
Box office income		160,948	563,490
		808,097	**1,356,973**
Cost of sales			
Production cost		(3,403,409)	(2,909,610)
Gross loss		**(2,595,312)**	**(1,552,637)**
Operating expenses			
Ad hoc crews		-	(18,413)
Airtime and data		(2,802)	(1,359)
Boarding and lodging		(14,868)	(270,058)
Books and educational material		(11,591)	(3,834)
Costumes and merchandise		(783)	(23,116)
Equipment hire		(1,350)	(1,877)
Food and beverages		(67,155)	(56,002)
General expenses		(5,432)	(71,066)
Marketing		-	(101,775)
Per diems		(15,480)	(71,484)
Stationery and printing		(7,788)	(7,987)
Travel and transport		(389,469)	(384,081)
Web ticket sales		-	(563,490)
		(516,718)	**(1,574,542)**
Deficit for the year		**(3,112,030)**	**(3,127,179)**