

FINANCIAL REPORT

Sydney Theatre Company Ltd and its controlled entities

ABN 87 001 667 983

Year ended 31 December 2025

Sydney Theatre Company
Financial Report for year ended 31 December 2025

DIRECTORS' REPORT

The Board of Directors of Sydney Theatre Company Ltd and its controlled entities present its report in respect of the financial year ended 31 December 2025.

DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Name	Qualifications, experience, and special responsibilities
Ann Johnson Chair	Director, W & A Johnson Family Foundation GAICD, BA/LLB UNSW Ms. Johnson appointed to the Board on 3 May 2013 Sub-Committees: Finance & Risk
Anita Belgiorno-Nettis AM	Company Director, Prisma Investment Pty Ltd Director, Anita and Luca Belgiorno-Nettis Foundation Trustee, Art Gallery of NSW Co-Founder, Step Into Work BA UNE Ms. Belgiorno-Nettis appointed to the Board on 6 December 2018 Sub-Committees: Foundation (Chair)
Brooke Boney Leave of Absence from 28 March 2024 to 9 December 2025	Journalist, author and policy researcher Author, <i>All of It</i> (Allen & Unwin, 2025) Fellow, Constructive Institute, Monash University Ambassador, GO Foundation Ambassador, Sydney Swans Football Club Master of Public Policy (Distinction awarded with research), Blavatnik School of Government, University of Oxford (Charlie Perkins Chevening Scholar) Bachelor of Communication (Journalism), UTS Ms. Boney appointed to the Board on 17 October 2022
Mitchell Butel	Artistic Director & Co-CEO, Sydney Theatre Company Director, performer, and writer Artistic Director and Co-CEO State Theatre of South Australia (2019- 2024) Deputy President Actors Equity and Vice President MEAA (2009-2013) Member of National Performers Committee (2007-2018) Director, Belvoir Street Theatre (2012-2019) Trustee, Adelaide Festival Trust (2020-2024) Honorary Fellow, Australian Institute of Music BA (Theatre Studies) UNSW Mr. Butel appointed to the Board on 5 December 2024
Sarah Constable	Barrister Director, Foundation and Friends of the Botanic Gardens Trustee, Australian Music Foundation Teaching Fellow, UNSW BCL Oxford University, JD UNSW, BA USYD Ms. Constable appointed to the Board on 3 June 2024 Sub-Committees: Finance & Risk
Mark Coulter	Co-Founder and Chief Executive Officer, Temple & Webster LLB, BSc Mr. Coulter appointed to the Board on 28 April 2022 Sub-Committees: Finance & Risk
David Craig Deputy Chair	Director, Lendlease Corporation (until November 2025) Deputy Chair, Victor Chang Cardiac Research Institute FAICD, FCA, BEc USYD Mr. Craig appointed to the Board on 3 September 2020 Sub-Committees: Finance & Risk (Chair)

DIRECTORS' REPORT

Name	Qualifications, experience, and special responsibilities
Anne Dunn	Executive Director & Co-CEO, Sydney Theatre Company Executive Council, Live Performance Australia Executive Director Sydney Dance Company (2010 – 2021) BA UNSW, BA Hons MQ Ms. Dunn appointed to the Board on 7 February 2022
Sam Meers AO	Co-founder and Chair, Nelson Meers Foundation Chair, National Portrait Gallery of Australia Chair, Brett Whiteley Foundation Director, Energy Leadership Australia Member, Advisory Board of the Centre for Social Impact (UNSW) FAICD, FRSN, BA, LLB, MLitt USYD Ms. Meers appointed to the Board on 5 February 2026
Heather Mitchell AM	Australian actress, appearing in Australian productions of Stage, television, and film. Graduate of NIDA Ms. Mitchell appointed to the Board on 20 February 2018 Sub-Committees Foundation
Kate Mulvany OAM	Actor, playwright, screenwriter, librettist, and dramaturg Ambassador for survivors of Agent Orange Hon DLitt, BA Curtin University Ms. Mulvany appointed to the Board on 13 August 2024
David Paradise	Founder and Managing Director, Paradise Investment Management Chairman, Taronga Zoo Foundation Director, The Future Generation Australia Limited Mr. Paradise appointed to the Board on 16 February 2023 Sub-Committees: Finance & Risk
Annette Shun Wah	Arts consultant Deputy Chair, Board of National Film and Sound Archive Master of Fine Arts NIDA Ms. Shun Wah appointed to the Board on 7 December 2017
Rosie Williams	Co-founder and Director of the Serpentine Foundation Patron (joint), Create Centre USYD BA (Psychology & Philosophy) UNSW Ms. Williams appointed to the Board on 5 December 2024 Sub-Committees: Foundation

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DIRECTORS' REPORT

DIRECTORS MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board of Directors meetings		Finance & Risk Committee meetings		Foundation Committee meetings	
	# eligible meetings	# attended	# eligible meetings	# attended	# eligible meetings	# attended
Ann Johnson	6	6	5	4	-	-
Anita Belgiorno-Nettis AM	6	4	5 [^]	3	5	5
Brooke Boney	1*	0	-	-	-	-
Mitchell Butel	6	6	5 [^]	5	5 [^]	5
Sarah Constable	6	4	5	4	-	-
Mark Coulter	6	5	5	4	-	-
David Craig	6	5	5	5	-	-
Anne Dunn	6	5	5 [^]	5	5 [^]	4
Sam Meers AO	-	-	-	-	-	-
Heather Mitchell AM	6	4	-	-	5	2
Kate Mulvany OAM	6	3	-	-	-	-
David Paradise	6	4	5	3	-	-
Annette Shun Wah	6	5	-	-	-	-
Rosie Williams	6	5	-	-	5	3

*: Eligible meetings based on being granted a leave of absence for part year

[^]: Not Committee members, but invitation to attend all meetings

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was to produce and present theatrical work.

In line with the Group's objectives, additional activities such as fundraising, commercial operations and investment of surplus cash were undertaken to support this principal charitable activity.

OPERATING AND FINANCIAL REVIEW

The Group recorded a total comprehensive surplus of \$786,418 for 2025 (2024: deficit of \$565,759). After excluding one-off income items - including one-off funding, net fundraising, and loss on revaluation of financial assets – the underlying operational deficit was (\$8,758,535), compared with the 2024 underlying deficit of (\$8,744,173).

	2025 \$	2024 \$
Deficit from operating activities	(8,758,535)	(8,744,173)
On-going government grants	3,246,176	3,151,627
Government one-off grants	1,148,547	23,000
Net fundraising income	3,972,726	3,472,820
Finance income	1,187,056	1,348,461
(Loss)/Gain on revaluation of financial assets	(9,552)	182,506
Total comprehensive surplus / (deficit) for the period	786,418	(565,759)

Revenue from continuing operations for 2025 totalled \$28,754,932, down from \$37,703,327 in 2024. This decline was mainly attributable to a reduction in theatre activity. Both theatre and administrative costs declined, reflecting the lower level of programming in 2025 and the implementation of targeted efficiency measures. Despite these cost containment efforts, the Group's operating deficit remained stable, highlighting the ongoing challenges faced in its core activities.

The Group achieved a comprehensive surplus of \$786,418 for 2025. This positive result was mainly driven by one-off funding and an increase in net fundraising income.

DIRECTORS' REPORT

DIVIDENDS

The parent entity's constitution prohibits the distribution of income and property by way of dividend or bonus, and no dividend or bonus has been paid or declared since the end of the previous financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events after year end.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

There are no changes expected to the current nature of operations or the principal activities of the Group. The Group continues to operate in a challenging external environment including inflationary / cost of living challenges impacting the Australian economy more broadly.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under either Commonwealth or State legislation. However, the Board considers that the Group has adequate systems in place for the management of and compliance with its environmental requirements.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS, AND AUDITOR

Indemnification

The Group undertakes to indemnify current directors, officers and auditor against all liabilities to other persons (other than the Group or a related body corporate) that may arise from their engagement with the Group, except where the liability arises out of conduct involving a lack of good faith.


Insurance premiums

The Group has paid insurance premiums under contracts insuring Directors and officers of the Group against liability incurred in that capacity.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 25 and forms part of the Directors' report for financial year ended 31 December 2025.

This report is made with a resolution of the Directors:



Ann Johnson, Chairperson

Dated at Sydney this 29th day of April 2026

Sydney Theatre Company
Financial Report for year ended 31 December 2025

**CONSOLIDATED STATEMENT OF PROFIT / (LOSS) & OTHER COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 \$	2024 \$
Revenue	1	28,754,932	37,703,327
Theatre and production expenses		(20,903,804)	(28,071,947)
Administrative expenses		(14,118,316)	(15,801,238)
Depreciation, amortisation and impairment		(1,907,669)	(1,979,231)
Interest expense leases		(583,678)	(595,084)
Deficit from operating activities		(8,758,535)	(8,744,173)
Government Grants	1	4,394,723	3,174,627
Deficit from continuing operations plus funding		(4,363,812)	(5,569,546)
(Loss)/Gain on revaluation of financial assets		(9,552)	182,506
Finance income		1,187,056	1,348,461
Fundraising income	1	5,497,307	4,857,764
Fundraising expenditure		(1,524,581)	(1,384,944)
Surplus/(deficit) for the period		786,418	(565,759)
Other comprehensive income		-	-
Total comprehensive surplus/(deficit) for the period		786,418	(565,759)

The consolidated statement of profit/(loss) & other comprehensive income is to be read in conjunction with the notes of the financial statements set out on pages 11 to 23.

Sydney Theatre Company
Financial Report for year ended 31 December 2025

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Note	2025 \$	2024 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	5,859,343	3,079,318
Investments	4	3,794,694	5,656,906
Trade and other receivables	5	2,757,057	1,278,817
Inventories		2,319	168,333
Other Assets	6	99,302	154,876
Total Current Assets		12,512,715	10,338,250
Non-Current Assets			
Investments	4	17,028,907	15,191,676
Leasehold improvements, plant & equipment	7	13,221,510	12,987,034
Right-of-use assets	8	21,584,136	22,292,502
Total Non-Current Assets		51,834,553	50,471,212
Total Assets		64,347,268	60,809,462
LIABILITIES			
Current Liabilities			
Trade and other payables		5,541,272	3,480,730
Employee benefits		1,256,241	1,248,125
Deferred Income	9	12,414,982	11,275,535
Lease liability	8	571,332	1,131,438
Contribution to the NSW State Government	16(p)	5,000,000	3,750,000
Total Current Liabilities		24,783,827	20,885,828
Non-Current Liabilities			
Employee benefits		254,150	196,893
Lease liability	8	22,259,130	22,212,998
Contribution to the NSW State Government	16(p)	5,000,000	6,250,000
Total Non-Current Liabilities		27,513,280	28,659,891
Total Liabilities		52,297,107	49,545,719
NET ASSETS		12,050,161	11,263,743
EQUITY			
Retained earnings - restricted		1,278,629	1,278,629
Retained earnings - unrestricted		10,771,532	9,985,114
TOTAL EQUITY		12,050,161	11,263,743

The consolidated statement of financial position is to be read in conjunction with the notes of the financial statements set out on pages 11 to 23.

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**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Accumulated funds unrestricted \$	Accumulated funds restricted \$	Total Equity \$
Accumulated Funds			
Balance as at 1 January 2024	10,550,873	1,278,629	11,829,502
Current year deficit	(565,759)	0	(565,759)
BALANCE AS AT 31 DECEMBER 2024	<u>9,985,114</u>	<u>1,278,629</u>	<u>11,263,743</u>
Accumulated Funds			
Balance as at 1 January 2025	9,985,114	1,278,629	11,263,743
Current year surplus	786,418	-	786,418
BALANCE AS AT 31 DECEMBER 2025	<u>10,771,532</u>	<u>1,278,629</u>	<u>12,050,161</u>

The consolidated statement of changes in equity is to be read in conjunction with the notes of the financial statements set out on pages 11 to 23.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers and contributions		39,446,350	43,791,823
Cash paid to suppliers and employees		(35,337,379)	(45,768,322)
Interest received		1,187,056	1,348,461
Cash paid for the interest portion of lease liabilities		(583,678)	(595,084)
Net cash flow from operating activity	11	4,712,349	(1,223,122)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from sale of plant, equipment and software		28,000	-
Payments for plant, equipment and software		(1,393,229)	(380,308)
Receipts from financial assets		891,313	-
Payments for financial assets		(875,884)	(4,578,651)
Net cash flow from investing activities		(1,349,800)	(4,958,959)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liability		(582,524)	(560,807)
Net cash flow from financing activities		(582,524)	(560,807)
Net increase/(decrease) in cash and cash equivalents		2,780,025	(6,742,888)
Cash and cash equivalent as at 1 January		3,079,318	9,822,206
Cash and cash equivalents at 31 December	3	5,859,343	3,079,318

The consolidated statement of cash flows is to be read in conjunction with the notes of the financial statements set out on pages 11 to 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REVENUE AND OTHER INCOME

	2025	2024
	\$	\$
Revenue from continuing operations	28,754,932	37,703,327
On-going government grants		
Creative Australia - operational funding	2,655,409	2,578,067
Create NSW - operational funding	590,767	573,560
Total on-going government grants	3,246,176	3,151,627
Government one-off grants		
Create NSW - Walsh Bay activation grant	745,322	-
Creative Australia - Creatability grant	10,219	-
Creative Australia - CAST Symposium grant	130,000	-
Creative Australia - technology grant	261,006	-
Sub-total - government one-off grants	1,146,547	-
City of Sydney project grants	2,000	23,000
Total government one-off grants	1,148,547	23,000
Total Government grants	4,394,723	3,174,627
Fundraising income	5,497,307	4,857,764
Total Revenue and other income for the Group	38,646,962	45,735,718

2. EXPENSES

	2025	2024
	\$	\$
Personnel expenses		
Wages & Salaries	16,490,986	20,563,328
Superannuation	1,787,885	2,219,101
Workers Compensation	542,477	678,151
	18,821,348	23,460,580
Auditor's remuneration - KPMG		
Audit fees	115,111	111,654
Indirect tax advisory	-	18,000
	115,111	129,654

3. CASH AND CASH EQUIVALENTS

	2025	2024
	\$	\$
Bank balances	3,036,864	1,560,985
Cash deposits	2,822,479	1,518,333
Cash and cash equivalents in the statement of cash flows	5,859,343	3,079,318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. INVESTMENTS

	2025	2024
	\$	\$
Current Assets		
Term Deposits	2,918,810	5,656,906
Investment in Dracula UK Season (Level 3)	875,884	-
	3,794,694	5,656,906
Non-Current investments at fair value through profit or loss		
Financial institution hybrid securities (Level 1)	13,554,654	12,317,095
Managed funds (Level 2)	3,474,253	2,874,581
	17,028,907	15,191,676

The non-current investments held by the Group as at 31 December 2025 are classified as either level 1 or 2 under the AASB 13 *Fair Value Measurement* hierarchy. Level 1 financial assets include investments in listed stocks, bonds, funds, or any assets that have quoted prices that are traded on an active market and readily accessible as at measurement date, 31 December 2025. Level 2 financial assets include investments in financial institutions that do not have quoted market pricing, but whose fair value has been established using month end unit pricing derived from the net asset value provided by independent third-party custodians. The Investment in *Dracula* UK Season is level 3 under *the AASB13 Fair Value Measurement* hierarchy. Level 3 financial assets are valued based on unobservable inputs. STC's level 3 investment value is based on the initial equity contribution, adjusted for other key changes in the investment fair value (if necessary).

5. TRADE AND OTHER RECEIVABLES

	2025	2024
	\$	\$
Trade debtors	726,060	337,633
Less Provision for doubtful debts	(5,345)	-
	720,715	337,633
Other debtors	2,036,342	941,184
Total trade and other receivables	2,757,057	1,278,817

6. OTHER ASSETS

	2025	2024
	\$	\$
Prepayments	99,302	154,876
Other assets	99,302	154,876

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. LEASEHOLD IMPROVEMENTS, PLANT AND EQUIPMENT

	Leashold Improvements	Furniture, fittings and equipment	Theatre and production equipment	TOTAL
Cost	\$	\$	\$	\$
Balance as at 1 January 2025	8,970,103	6,221,221	3,743,919	18,935,243
Acquisitions	863,835	241,757	287,636	1,393,228
Disposals	-	-	(85,693)	(85,693)
Balance as at 31 December 2025	9,833,938	6,462,978	3,945,862	20,242,778
Depreciation				
Balance as at 1 January 2025	1,768,003	1,758,101	2,422,105	5,948,209
Depreciation charge	330,417	489,990	291,000	1,111,407
Disposals	-	-	(38,348)	(38,348)
Balance as at 31 December 2025	2,098,420	2,248,091	2,674,757	7,021,268
Carrying amounts				
As at 1 January 2025	7,202,100	4,463,120	1,321,814	12,987,034
As at 31 December 2025	7,735,518	4,214,887	1,271,105	13,221,510

8. RIGHT-OF-USE ASSETS / LEASE LIABILITY

	Property	Vehicles	Photocopiers	TOTAL
Right-of-use assets	\$	\$	\$	\$
Balance as at 1 January 2025	21,846,592	260,282	185,628	22,292,502
Additions for the year	139,696	-	-	139,696
Disposals for the year	-	(67,796)	-	(67,796)
Depreciation charge	(632,600)	(78,055)	(69,611)	(780,266)
Balance as at 31 December 2025	21,353,688	114,431	116,017	21,584,136

Lease Liability

Maturity analysis - contractual undiscounted cash flow

	2025	2024
	\$	\$
Less than one year	1,139,452	1,178,298
Between one and five years	4,850,025	4,421,090
More than five years	29,154,122	30,548,642
Total undiscounted lease liabilities as at 31 December	35,143,599	36,148,030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. RIGHT-OF-USE ASSETS / LEASE LIABILITY CONT'D

	2025	2024
	\$	\$
Amounts recognised in financial position		
Current	571,332	1,131,438
Non-current	22,259,130	22,212,998
Lease liabilities included in statement of financial position at 31 December	22,830,462	23,344,436

	2025	2024
	\$	\$
Amounts recognised in statement of comprehensive income		
Interest on lease liabilities	(583,678)	(595,084)
Expenses related to short-term leases	(12,465)	(28,063)
Depreciation expenses on leases	(780,266)	(782,693)
	(1,376,409)	(1,405,840)

Amounts recognised in statement of cash flows		
Total cash outflow for leases	(1,166,202)	(1,155,891)

9. DEFERRED INCOME

	2025	2024
	\$	\$
Subscription and ticket sales	10,133,073	9,082,655
Grant income		
Create NSW - Wharf activation grant	-	645,322
Creative Australia - Innovation grant	125,000	186,005
Department of Foreign Affairs & Trade - China grant	300,000	300,000
Creative Australia - Creatability grant	-	5,600
Creative Australia - CAST grant	69,999	-
24-Hour Commission - Uptown Grant	-	51
Total Grant Income	494,999	1,136,978
Other income	845,869	102,044
Gift vouchers	941,041	953,858
Closing balance as at 31 December	12,414,982	11,275,535

10. CONTINGENCIES

The Directors are not aware of any contingent liability or contingent asset where the probability of future payments/receipts are not considered remote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2025 \$	2024 \$
Profit / (Loss) for the period adjusted for:	786,418	(565,759)
Depreciation, amortisation and impairment	1,907,669	1,979,231
Net gain / (loss) on investments	9,552	(182,506)
Operating profit before changes in working capital and provisions	2,703,639	1,230,966
(Increase) / decrease in trade and other receivables	(1,478,240)	152,537
(Increase) / decrease in inventories	166,014	63,002
(Increase) / decrease in other assets	55,574	81,456
Increase in trade and other payables	2,060,542	335,151
Increase / (decrease) in provision	65,373	(203,074)
Increase / (decrease) in deferred income	1,139,447	(2,883,160)
Net cash from operating activities	4,712,349	(1,223,122)

12. KEY MANAGEMENT PERSONNEL DISCLOSURE

Transactions with key management personnel

The key management personnel compensation included in Note 2 – Personnel expenses was \$1,698,668 (2024: \$1,625,142). This figure represents both short and long-term benefits for senior management roles in the organisation.

In addition, nil (2024: \$49,720) was paid to key management personnel in relation to non-employment contractual obligations.

Other key management personnel transactions with the Group

No Director received Director fees from the Group during the current or prior year. Executive Directors receive compensation disclosed in the key management personnel above. Certain Non-executive Directors received compensation or fees for their artistic services to the Group of \$170,551 (2024: \$102,578).

During the financial year, certain Non-executive Directors entered into investment agreements with the Group, providing financial support for the Group's investments in *The Picture of Dorian Gray* Broadway and *Dracula* UK. The total investment by Non-executive Directors for these purposes amounted to \$610,000 (2024: \$nil). Investments and income returned to Non-executive Directors for *The Picture of Dorian Gray* Broadway amounted to \$145,349 (2024: \$nil).

13. ECONOMIC ENTITY

The parent entity is Sydney Theatre Company Ltd, which controls the following entities:

Controlled Entity	Ownership %		Country
	2025	2024	
STC US LLC	100%	100%	USA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. RESULTS OF PARENT ENTITY

The parent entity of the Group as at and throughout the financial year ended 31 December 2025 was Sydney Theatre Company Ltd.

The individual financial statements for the parent entity show the following aggregate amounts:

	2025	2024
	\$	\$
Results of parent entity		
Surplus/(deficit) for the Sydney Theatre Company Group	786,418	(565,759)
Equity transfer from STC Foundation Ltd	-	-
Equity transfer from STC US LLC	-	-
Total change in equity	786,418	(565,759)
Financial position of the parent entity at year end		
Current assets	12,512,715	10,338,250
Non-current assets	51,834,553	50,471,212
Total assets	64,347,268	60,809,462
Current liabilities	(24,783,827)	(20,885,828)
Non-current liabilities	(27,513,280)	(28,659,891)
Total liabilities	(52,297,107)	(49,545,719)
Total equity of the parent entity comprising		
Retained earnings	12,050,161	11,263,743
Total equity	12,050,161	11,263,743

15. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events after year-end.

16. MATERIAL ACCOUNTING POLICIES

Sydney Theatre Company Ltd (the "Company") is an Australian Public Company, limited by guarantee, incorporated and domiciled in Australia. The Company's registered address and place of business is Wharf 4/5, 15 Hickson Road, Walsh Bay, NSW 2000. These consolidated financial statements comprise the Company and its controlled entities, together referred to as the "Group". The Group is a not-for-profit entity.

a. Statement of compliance

The consolidated financial statements are General Purpose – Tier 2 simplified disclosure consolidated financial statements and have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board and the *Australian Charities and Not for Profits Commission Act 2012*. These consolidated financial statements comply with Australian Accounting Standards – Simplified Disclosure Requirements.

The financial report was approved by the Board of Directors on 29 April 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b. Basis of preparation

The consolidated financial statements are prepared on the historical cost basis other than certain financial instruments carried at fair value.

In preparing these consolidated financial statements management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

All financial information presented in Australian dollars has been rounded to the nearest dollar unless otherwise stated.

c. Going Concern

The financial statements of the Sydney Theatre Company have been prepared on a going concern basis which contemplates the realisation of assets and the discharge of liabilities in the ordinary course of business.

As of 31 December 2025, the Group has reported net assets of \$12,050,161. The net current asset deficiency is (\$12,271,112) as at 31 December 2025. The net current asset deficiency includes \$12,414,982 of deferred income which will be satisfied through meeting future performance obligations. In addition, the Group held \$17,028,907 in non-current investments. These can be converted to cash with minimal penalties.

Sydney Theatre Company continues to be reliant on on-going Federal and NSW State Government funding to remain viable. Funding commitments from both levels of government are confirmed to the end of 2028.

In addition, Sydney Theatre Company is reliant on the very generous support provided by donors and Foundations. The Group has been fortunate to have received consistent high-level support, and the Directors have determined that this trend of support should continue.

Cashflow Forecasts

In forming their opinion that Sydney Theatre Company is a going concern, the Directors have assessed detailed cash flow forecasts for the next 12 months. The Group uses its best estimate assumptions in the development of cash flow forecasts. The Directors note, however, that some of the key assumptions underpinning cash flow forecasts are inherently uncertain and subject to variation due to factors which are outside of the control of the Group.

With respect to the uncertainty noted above, the Group has prepared cashflow forecasts that assume:

- That the 2027 Season will be launched September 2026
- Existing fundraising initiatives will continue.

Noting this inherent uncertainty, the Directors consider, at the date of signing the financial report, that there are reasonable grounds to consider the going concern basis of preparation is appropriate.

d. Controlled Entity

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statement of the controlled entity is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of the controlled entity have been changed when necessary to align them with the policies adopted by the Group.

e. Transaction eliminated on consolidation.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

f. Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

g. Investments

The Group classifies investments at fair value through profit or loss (listed stocks, notes, bonds, funds, investment in commercial productions) and at amortised cost (term deposits). They are presented as current assets if they are expected to be sold or reach maturity within 12 months after the end of the reporting period; otherwise, they are presented as non-current assets.

Changes in fair value of investments are recorded in unrealised gain/loss on revaluation of financial assets in profit or loss. Any impairment losses on financial assets at amortised cost are included within profit or loss. The carrying amount of financial assets at amortised cost approximates their fair value as the impact of discounting is not significant.

AASB 9 *Financial Instruments* includes a single approach for the classification of financial assets, based on a) the business model used to manage financial assets in order to generate cash flows, and b) the cash flow characteristics of those financial assets.

A financial asset held at amortised cost must be managed under a business model where financial assets are held to collect contractual cash flows and have cash flows which relate solely to payments of principal and interest ('SPPI').

A financial asset held under a business model under which financial assets are held to collect contractual cash flows will be classified as held at fair value through other comprehensive income if the SPPI criteria is met. Any other financial asset that are held to be sold or do not meet the SPPI criteria will be held at fair value through profit or loss.

h. Plant and equipment

Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 16m).

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative period are as follows:

Theatre and production equipment	4 – 10 years
Furniture, fittings, and equipment	4 – 10 years
Leasehold improvements	6 – 25 years

The depreciation method and useful lives, as well as residual values, are reviewed at each reporting date.

i. Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy 16m).

j. Inventories

Inventories are valued at the lower of cost and net realisable value.

k. Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

l. Impairment

The carrying amounts of the Group's assets, other than inventories (see accounting policy 16j), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy 16n).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

The Group recognises loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

m. Calculation of recoverable amount

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Impairment testing is performed by placing receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is calculated as the depreciated replacement cost of the asset.

n. Employee benefits

Long-term service benefits

The Group's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted using the rates attached to high quality corporate bonds at the balance sheet date which have maturity dates approximating to the terms of the Group's obligations.

Wages, salaries, annual leave, and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance.

o. Trade and other payables

Trade and other payables are stated at amortised cost.

p. Contribution to NSW State Government

The \$10m contribution to NSW State Government in respect to the Wharf Renewal project asset was expensed in 2020. The contribution is scheduled to be repaid over 8 years in equal instalments of \$1.25 million per annum. For the 2025 financial statements, a \$5 million balance is classified as a non-current liability and \$5 million is classified as a current liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

q. Fundraising

The Sydney Theatre Company Ltd Group undertakes fundraising appeals throughout the year and holds authority to fundraise under the Charitable Fundraising Act, 1991 (NSW). Additional information and declarations required under this Act are as follows:

	2025	2024
	\$	\$
Gross proceeds from fundraising appeals	5,497,307	4,857,764
Less total costs of fundraising appeals	<u>(1,524,581)</u>	<u>(1,384,944)</u>
	3,972,726	3,472,820

The fundraising activities of the Group in 2025 predominately consisted of individual giving through campaigns, annual appeals, and general giving.

Funds received through fundraising supported general activities of Sydney Theatre Company.

r. Revenue

Production and related revenue

Revenue from production including ticket sales, production fees and other box office costs is recognised in the period in which the production occurred. When tickets are sold in advance, the revenue is recorded as deferred revenue in the Consolidated Statement of Financial Position until the period in which the production occurred.

Royalty revenue

Rights related revenue from contracts that cite Sydney Theatre Company as a producing partner is recognised in the period in which the production occurred. Royalty revenue is recognised in line with contractual arrangements.

Sponsorship revenue

Revenue receivable from sponsors may be cash or in-kind. Where a sponsorship constitutes a reciprocal transfer (that is, where there is an obligation to return unspent funds, or the Group is obliged to give approximately equal value in return for funds) the Group defers the unearned portion of these funds at year end. Where a sponsorship does not constitute a reciprocal transfer, the amount is recognised as revenue when performance obligations in the contract are met.

Restaurant income

Revenue derived from commissions received from catering partners concerning Folio at Roslyn Packer Theatre and The Wharf Restaurant & Bar is recognised when performance obligations in the contract are met.

Interest income

Income received or receivable from interest on cash reserves. Interest income is recognised in the profit or loss and other comprehensive incomes as it accrues.

Gains or losses on revaluation of financial assets

Gains or losses on revaluation and disposal of financial assets are recorded through the profit and loss or other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

r. Revenue cont'd

Donations

Income from philanthropic activity is recognised as revenue to Sydney Theatre Company Ltd when control of the contribution and its amount can be measured reliably.

Government grants

Grant funds are recognised as revenue when the Group gains control of the contribution or when services and obligations are rendered under the terms of the funding agreement. Where the grant has been received but the revenue recognition criteria has not yet been met, the revenue is deferred until such time as revenue recognition conditions have been met.

s. Leases accounting policy

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain changes to the measurement of the lease liability. The Group has adopted relief under AASB 2018-8 *Amendments to Australia Accounting Standards – Right-of-Use Assets of Not-for-profit Entities*, to measure the right-of-use asset at cost, rather than, fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

s. Leases accounting policy cont'd

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is measured again when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is measured again in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and the lease of low-value assets. The Group recognises the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

t. Income tax

The Group is exempt from paying income tax in accordance with Div50 of the *Income Tax Assessment Act 1997*.

u. Goods and services tax

Revenue, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

v. Fundraising appeals

The Group holds an authority to fundraise for charitable purposes under the provisions of Section 16 of the NSW Charitable Fundraising Act, 1991.

w. Capital

The Group is limited by guarantee and has no paid-up capital.

The amount of capital which is capable of being called up only in the event of and for the purpose of the winding up of the Group is not to exceed \$20 per member by virtue of the Group's Constitution.

A person may become a member of the Company upon being admitted by the directors of the Company. Members are entitled to attend and vote at general meetings of the Company and to elect the non-executive Directors of the Company. As at 31 December 2025 the Company had 13 members (2024: 12 members).

x. New accounting standards adopted during the period

All the accounting standards effective and adopted during the period have not had a material impact to the Group.

y. New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2025 reporting period. The Group has elected not to early adopt any of these standards. Change to "AASB 18, *Presentation and Disclosure in Financial Statements, replacing AASB 1060*, is mandatory from 1 January 2027. Prior to the adoption date, management will undertake an assessment of the impact of this new standard on the presentation of the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income.

DIRECTORS' DECLARATION

In the opinion of the directors of Sydney Theatre Company Ltd (the Group):

(a) the consolidated financial statements and notes that are set out on pages 6 to 23 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the consolidated Group's financial position as at 31 December 2025 and of its performance, for the financial year ended on that date; and

(ii) complying with *Australian Accounting Standards - Simplified Disclosure Regime* and the *Australian Charities and Not-for-profits Commission Regulation 2022*; and

(b) that the Group has met all requirements of the *Charitable Fundraising Act 1991* and *NSW Foundation Regulations 2021*; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(d) that the internal controls exercised by the Group are appropriate and effective.

(e) the Group is not publicly accountable.

Signed in accordance with a resolution of the directors:



Ann Johnson, Chairperson

Dated at Sydney this 29th day of April 2026.



Auditor's Independence Declaration under subdivision 60- C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of Sydney Theatre Company Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Daniel Robinson
Partner

Sydney

29 April 2026



Independent Auditor's Report

To the members of Sydney Theatre Company Ltd

Opinion

We have audited the **Financial Report** of Sydney Theatre Company Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* including:

- I. giving a true and fair view of the Group's financial position as at 31 December 2025, and of its financial performance and its cash flows for the year ended on that date; and
- II. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022* (ACNCR) and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2025.
- Consolidated statement of profit/(loss) and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes, including material accounting policies
- Directors' Declaration of the Company.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Sydney Theatre Company Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures Framework* and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional



judgement and maintain professional scepticism throughout the audit.

We also:

- I. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. 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 registered Group's internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- IV. 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 registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.
- VI. Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the registered Company 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.

KPMG

Daniel Robinson
Partner

Sydney

29 April 2026