

Australian Chamber Orchestra Pty Ltd and its controlled entities

ABN: 45 001 335 182

General Purpose (SDS) Financial Report

For the year ended 31 December 2025

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Directors' report

The directors submit their report on Australian Chamber Orchestra Pty Ltd (the "Company") and its controlled entities (collectively, the "Group") for the year ended 31 December 2025.

Directors

The names of the Company's directors in office during the financial period and until the date of this report are set out below. Directors were in office for this entire period, unless otherwise stated.

M Myer AO
G Belgiorno-Nettis AM
H Carroll
J Crawford
J Fisher
E Flaherty
M Haysom
E Lewin
A McEvoy
P McMullin AM
J Steiner AM
M Theile
M Tu OAM (Appointed: 21 November 2025)

Information on directors

Mr M Myer AO

Chairman, appointed as of 24 August 2023

Non-Executive Director since 24 October 2017

Martyn Myer has 30 plus years of experience in executive and non-executive board and chair roles in private and public companies, not-for-profit organisations and philanthropic foundations. Martyn currently is Chairman of Cosgate Ltd and Doherty Institute. At the end of 2020 Martyn stepped down from his role as President of The Myer Foundation after eleven years and at the end of December 2019 from his role as Deputy Chancellor of the University of Melbourne after eleven years on the council and the board of the Melbourne Theatre Company. In October 2016, Martyn stepped down as Chairman of Myer Family Investment Pty Ltd, the collective Myer family investment group. In June 2008, Martyn was appointed an Officer in the Order of Australia for service to business and the community, particularly through contributions to medical research and the establishment of the Florey Neuroscience Institute and through executive and philanthropic roles with a range of organisations. Martyn has a Bachelor of Engineering degree from Swinburne University (1980), a Master of Engineering Science from Monash University (1989) and a Master of Science in Management from the Sloan School of Management, Massachusetts Institute of Technology in Boston, USA (1990).

Mr G Belgiorno-Nettis AM (BE Civil UNSW; MBA AGSM; FIEAust)

Non-Executive Director since 6 May 1996

Guido Belgiorno-Nettis was long-serving Chair of the Company until 24 August 2023 and is founding Chair of his family office Angophora Capital. Established in 2015, Angophora Capital manages this direct family portfolio as well as the broader family's Transfield Holdings legacy portfolio. He is Managing Director of the now passive investment company, Transfield Holdings Pty Ltd (which in 2003 - 2015 changed its business model from a multi-disciplined Engineering and Construction company to a private equity business). From 1999 - 2003 Guido was Managing Director of the Transfield Group. His previous key roles in Transfield Holdings were CEO - Transfield Engineering and Construction and Director - Project Development. Past Board roles include: Non-Executive Director - Transurban Limited, Director - Transfield Foundation, Director Campus Living Villages Funds Management Limited, Chairman - Novatec Solar Shareholders' Committee, Non-Executive Director - Transfield Services Ltd, Non-Executive Director - Charter Hall and Chairman of Tempo Australia. He also serves as a Non-Executive Director of Balmoral Pastoral.

Directors' report

In philanthropy Guido has been Chairman of the Biennale of Sydney and President and Trustee of the Art Gallery NSW Trust. Guido was awarded a Member of the Order of Australia in 2007 for service to the construction industry and the arts. He was named the Australian Graduate School of Management Distinguished Alumni in 2005, and in 2008 received the University of NSW Alumni Award for outstanding contribution to profession and community. In his other passion of sailing, he has been awarded the Idris Trophy (Sailor of the Year from the Royal Sydney Yacht Squadron), won the 2011 Farr 40 World Championship, and also won the 2019 Rolex New York Yacht Club Invitational Cup.

Ms H Carroll

Non-Executive Director appointed 26 November 2024

Helen Carroll is Curator of the Wesfarmers Collection of Australian Art and oversees Wesfarmers' extensive commitment to support of the performing and visual arts in Western Australia and nationally. Prior to joining Wesfarmers in 1999, she held the position of Curator of Australian Art at Lawrence Wilson Art Gallery, The University of Western Australia. She has curated several exhibitions of Australian art, including two nationally touring exhibitions produced and presented by Art Gallery of Western Australia and The Wesfarmers Collection of Australian Art, and written on aspects of Australian art for a range of exhibition publications and journals. Helen served on the Board of the Art Gallery of Western Australia from 2008-2015 and chaired the West Australian Churchill Fellowships Arts Panel for 20 years until retiring from the honorary role in 2023. She currently serves as on the Board of Directors of Co3 Contemporary Dance Australia and holds the position of Deputy Chair of the Murdoch University Art Collection.

In 2010, Helen received the Business Leadership Award in the West Australian State Arts Leadership Awards and in 2019 she received a national Creative Partnerships Australia Award for Business and the Arts in recognition of her work in support of Australian arts and culture over more than 20 years.

Helen celebrated 25 years with Wesfarmers in July 2024.

Ms J Crawford

Non-Executive Director since 27 April 2017

Judy Crawford has been a philanthropist for more than 30 years, supporting a range of causes and organisations. She has a long and enthusiastic history of championing change. Judy's involvement in charitable organisations have ranged from her work with ground-breaking cancer treatment centre, Chris O'Brien Lifehouse, to being a founding Board Member of the Children's Hospital Foundation, and a committee member of Social Ventures Australia. Judy served as President of the Point Piper Liberal Party branch. During her ten or so years in this role, she was a key organiser of fundraising for the Liberal Party of Australia, as well as the Australian Republican movement. Judy has a keen interest in the Arts and until recently was a member of the Board of Directors of the Sydney Dance Company. She is a long-term supporter of the Sydney Symphony Orchestra, the Australian Chamber Orchestra, and a founder of the Joye Art Foundation.

Ms J Fisher

Non-Executive Director since 4 November 2021

JoAnna Fisher has extensive international financial services experience in investment management, institutional banking, capital markets, superannuation, and corporate transactions. JoAnna is a Director of the Australian Chamber Orchestra Instrument Fund Pty Ltd and Chairman since 15 March 2022, Chair and independent Director of Colonial First Statement Investments and non-executive Director of WAM Income Maximiser Limited as of 28th February 2025. She was previously a Non-Executive Director of Mainstream Group (MAI.ASX); Chairman and Independent Non-Executive Director of Morphic Ethical Equities (MEC.ASX); independent investment committee member of the Australian Catholic Superannuation and Retirement Fund and Non executive Director of Quantum Funds Management. Prior executive roles included Senior executive at Commonwealth Wholesale Bank and Bankers Trust in Tokyo, New York and London.

Directors' report

Ms E Flaherty

Non-Executive Director since 4 September 2020

Erin Flaherty's career spans over 30 years in both private and Government sectors, with extensive experience in corporate governance, finance, major infrastructure projects and law. She is a past Board and Council member of the Australian Youth Orchestra and was also a member of the Sydney Symphony Council. She co-authored the NSW Cultural Infrastructure Strategy during her time at Infrastructure NSW and continues to be involved with cultural infrastructure. Erin is currently the Chair of National Intermodal Corporation, with responsibility for the construction of intermodal terminals to support the Inland Rail project, including the NSW Moorebank intermodal and logistics precinct. She is a member of the International Shareholders' Committee for Mott Macdonald, a Trustee of Sydney Grammar School and a non-executive director of The Infrastructure Fund and the NSW Police Citizens Youth Clubs. Erin was appointed a Director of the Australian Chamber Orchestra Instrument Fund Pty Ltd on 23 February 2023.

Ms M Haysom

Non-Executive Director since 2 March 2022

Mim Haysom is currently employed by Suncorp Group as the Executive General Manager of Brand and Customer Experience, with her leadership remit including accountability for Suncorp's Corporate Communications, Customer Experience, Strategic Partnerships, and setting the overall brand strategy and end to end marketing program for 9 brands including Suncorp, AAMI, GIO, APIA and Shannons.

Mim is known for delivering exceptional brand and business results. She was named #1 CMO in the country in 2022 by CMO Magazine, she was included in both the Campaign Asia and B&T Power Lists in 2023 and 2024, and has created the most highly awarded work in Australia including a Cannes Lion Grand Prix for innovation.

In addition to her Executive Role, Mim is a Graduate of the AICD. She is currently a Board Director for the Australian Association of National Advertisers (AANA), is a Trustee for St Vincent's Clinic Foundation, and a Director for Suncorp Partner Holdings, Platform Ventures and Platform Co-Ventures. She has also previously hold roles as an Advisory Board Member for Wheelchair Rugby Australia and ADMA (Australian Data-Driven Marketing Association).

Prior to Suncorp Mim was a highly awarded agency leader, with a proven track record in growing clients business both globally and locally, with vast category experience including Financial Services, FMCG, Automotive, Pharmaceutical and Retail.

Ms E Lewin

Deputy Chair

Non-Executive Director since 12 June 2009

Elizabeth Lewin is an experienced professional company director with an extensive international career spanning investment banking, wealth management, investment management, and superannuation. She currently serves as a Non-Executive Director of Argo Investment Limited, as a Trustee of the Art Gallery of NSW, and a Director of Kaldor Public Art Projects.

Elizabeth is actively involved in investment and philanthropic advisory roles, including as a member of the Investment Advisory Committee of the Australian Olympic Foundation, an Advisory Board Member of St Vincent's Clinic Research Foundation, and an Advisory Committee Member of Future Generation Women, a philanthropic investment fund dedicated to advancing economic equality for women.

Her executive career includes serving as Chief Executive Officer of UBS Wealth Management Australia (2005–2009) and Head of UBS Wealth Management UK (1999–2004). She is a long-standing member of Chief Executive Women (CEW) and an Ambassador for the Australian Indigenous Education Fund (AIEF), reflecting her commitment to leadership, diversity, and education.

Directors' report

Mr A McEvoy

Non-Executive Director appointed 27 February 2024

Andrew McEvoy has had a long and distinguished career in tourism, travel, media and events in Australia and overseas. As the CEO and Managing Director of Tourism Australia from 2010-2015 he established the ambitious Tourism 2020 strategy designed to help the country double tourism receipts, adopted by all States and Territories and achieved prior to COVID in 2019. He has also held Managing Director roles at corporations including Fairfax Media. Most recently he headed up the tourism sector for NEOM, Saudi Arabia - described as the world's most ambitious destination project. He is a long time company director including six years as Chairman of ASX listed Sealink, now Kelsian (ASX:KLS); Director of Ingenia (ASX:INA) and Director of national experiential tourism company Journey Beyond and of Destination NSW. He is the current Chairman of Camplify (ASX:CHL) and of the privately held Lux Group, owners of Luxury Escapes.

Mr P McMullin AM

Non-Executive Director appointed 27 February 2024

Peter McMullin AM has an extensive legal and business career encompassing prominent roles in both the public and private sectors. In his current role as Chairman and Director of McMullin Group, Peter McMullin AM leads a dedicated team of professionals, providing strategic direction and financial management across a range of industries. He also acts as Special Counsel for Cornwall Stodart Lawyers, specialising in improving outcomes for the firm and its clients by facilitating meaningful connections between like-minded people. Peter has held positions, inter alia, of Deputy Lord Mayor of Melbourne, Mayor of Geelong, Chairman of the Melbourne International Comedy Festival, Deputy President of the Museums Board of Victoria, and is currently President of the Confederation of Asia-Pacific Chambers of Commerce and Industry and the Chairman of the Melbourne Recital Centre. Throughout Peter's career, he has had a deep-seated interest in community affairs. He has consistently used his professional experience and network to further causes that he feels deeply and passionately about. Peter's belief is that the private sector has an important role to play in the resolution of many of our pressing social issues. He has made a significant contribution throughout his career forging positive, constructive partnerships between the private sector and governments, the not-for-profit sector and educational institutions. As an active philanthropist, Peter McMullin AM seeks to collaborate with other individuals and organisations to maximise the impact of his contributions. Recent examples include supporting the establishment of the world's first academic Centre dedicated to the issue of Statelessness at Melbourne University Law School, known as Peter McMullin Centre on Statelessness as well as Science Gallery Melbourne and as Founder of The Good Business Foundation.

Ms J Steiner AM

Non-Executive Director since 30 November 2015

After roles as CEO in public and private sector firms, some Australian and others internationally owned, Julie moved from her executive commitments to working as a consultant advisor and NED with public and private sector Boards.

Julie is a specialist in Governance and, with her senior executive search experience, is sought after for advice to Nomination and Remuneration Committees and Chairs about overall Board and Committee performance.

Julie is a graduate of Melbourne University and the Australian Institute of Company Directors.

In addition to the Board of the Australian Chamber Orchestra Pty Ltd and the ACO Instrument Fund Board, Julie is affiliated with specialist Risk, Board and Governance advisory firm, Blackhall and Pearl.

Ms ML Theile

Non-Executive Director appointed 27 February 2024

Marie-Louise Theile is owner and Creative Director of New Initiative a niche branding, marketing and creative agency representing a range of national and international clients. She is a former board member of The Australia Council, former Board Chair of the Institute of Modern Art, and a former member of the ACO Event Committee QLD. Marie-Louise has been an invited speaker at Monocle Magazine's Cities Series and Quality of Life Conferences in Chengdu (2019) and Lisbon (2015). She has also spoken at the Global Cities After Dark Conference in Sydney in 2017.

Other roles Marie Louise has fulfilled are - media relations officer for the Great Barrier Reef Foundation (2008-2010) and Creative Director of the Heat Fashion platform for the QLD Government Creative Industries Department for the promotion of QLD fashion designers in international markets. Marie-Louise is a former journalist and TV news presenter having worked in print and electronic media in Australia and New York for over 20 years.

Directors' report

Ms Monika Tu OAM

Non-Executive Director appointed 21 November 2025

Monika Tu is a globally recognised entrepreneur, strategic advisor, and luxury real estate pioneer with over 30 years experience at the intersection of ultra-high-net-worth markets, international business, and cross-cultural engagement. As the Founder and Director of Black Diamondz Group, Monika has transformed the luxury property industry in Australia by introducing a high-service concierge model tailored to elite clientele. Monika brings proven board-level contributions across strategic growth, market expansion, stakeholder relations, international development and philanthropic leadership. She is known for her ability to navigate complex cross-border deals, foster high-value partnerships, and contribute a deep understanding of brand equity and market positioning. Her governance interest includes innovation in real estate, multicultural advancement, education, the arts and social impact. Fluent in Mandarin and English, Monika operates with discretion, diplomacy, and deep cultural fluency—key traits that support her effectiveness on advisory boards, NFPs, and private company boards.

Dividends

No dividends have been paid or declared since the start of the financial year, nor do the directors recommend the declaration of a dividend (2024: \$nil).

Principal activities

The principal activities of the Parent company are:

- the presentation of musical performances to Australian and international audiences;
- learning, engagement and performance activities for young audiences and families, students and pre-professional musicians; and
- the management of the Company's new premises ("ACO On The Pier") - a performance, rehearsal and event venue on Pier 2/3 in the Walsh Bay Arts Precinct for internal and external hirers.

The Group continued to operate an unregistered, wholesale, managed investment fund investing in rare, historical, high-quality stringed instruments.

There were no significant changes in the nature of these activities during the year.

Operating results for the year

The underlying general operations is a trading deficit as per extracts which follow.

The general operations trading deficit of \$1,388,243 (2024: \$445,391) is before the 2025 non-recurring and capital-in-nature impacts of \$4,518,411 (2024: \$5,872,211), which consists of:

- Non-recurring support income of \$3,092,683 (2024: \$3,100,000), consisting of:
 - New musical instrument donations of \$2,000,000 (2024: \$3,100,000) is the remaining donation which enabled the Company to acquire a 1741-44 Giuseppe Guarneri del Gesù violin in 2024 and
 - ACO 50th Anniversary Gala of \$1,092,683 (2024: \$nil), which is the amount raised in 2025 over and above the business-as-usual raised net of costs for a fundraising event.
- Capital-in-nature net income of \$1,425,728 (2024: \$2,772,211), consisting of:
 - Bequests of \$454,813 (2024: \$51,967),
 - Realised net investment earnings of \$2,229,936 (2024: \$2,204,399),
 - Recognition of an unrealised loss on financial securities in 2025 of \$34,538 (2024: \$242,231 gain) as at 31 December,
 - Revaluation decrement on the Company owned musical instrument valuations of \$30,933 (2024: \$1,316,132 increment) from adverse exchange rate movements of \$267,500 (2024: \$634,889 favourable), offset in part by favourable movements from the underlying instrument of \$236,567 (2024: \$681,243 favourable),
 - Net contribution deficit for the establishment of ACO New Premises at ACO On The Pier after donations and direct establishment expenditure (including ACO On The Pier depreciation and lease interest) of \$1,193,550 (2024: \$1,042,518).

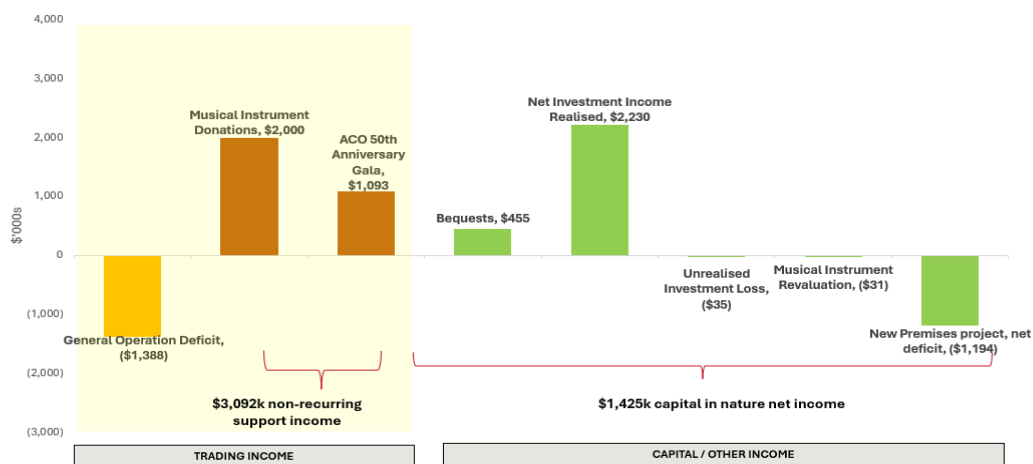
Once these non-recurring and capital-in-nature items are included, the 2025 overall total comprehensive income for the year is \$3,130,168 surplus (2024: \$5,426,820 surplus).

Directors' report

The new and additional technical, facility, marketing and support costs incurred in the operations of ACO On The Pier will take several years to stabilise as the new commercial model and market is established. Furthermore, unpredictable market conditions and inflationary wage and cost pressures are impacting the Company and the wider sector. The Parent company holds sufficient cash and other reserves to meet its obligations and continue as a going concern.

Consistent with the Parent company's not-for-profit status, any surpluses are reinvested in the mission of the Australian Chamber Orchestra.

2025 Total Comprehensive Income



Reconciliation of consolidated statement of surplus and other comprehensive income

	2025	2024
	\$	\$
General operations trading deficit	(1,388,243)	(445,391)
Non-recurring support income:		
ACO 50th Anniversary Gala	1,092,683	-
New musical instrument donations	2,000,000	3,100,000
Total non-recurring support income	3,092,683	3,100,000
Capital-in-nature net income:		
Bequests	454,813	51,967
Net investment income realised	2,229,936	2,204,399
Unrealised investment (loss)/gain	(34,538)	242,231
Revaluation of ACO musical instruments		
Revaluation (decrement)/increment due to – exchange rate movements	(267,500)	634,889
Revaluation increment due to – underlying musical instrument values	236,567	681,243
	2,619,278	3,814,729
New premises project - net contribution deficit	(1,193,550)	(1,042,518)
Total capital-in-nature net income	1,425,728	2,772,211
Total comprehensive income for the year	3,130,168	5,426,820

Directors' report

Summarised extract of consolidated statement of surplus and other comprehensive income

	2025	2024
	\$	\$
General operations trading deficit	(1,388,243)	(445,391)
Non-recurring impacts:		
Non-recurring support income	3,092,683	3,100,000
Capital-in-nature net income	1,425,728	2,772,211
	<u>4,518,411</u>	<u>5,872,211</u>
Total comprehensive income for the year	<u>3,130,168</u>	<u>5,426,820</u>

New premises strategic project

The Company had a long-held desire to have its own home and on 11 March 2022, the Company signed the lease documentation for its new premises on Pier 2/3 in the Walsh Bay Arts Precinct (ACO On The Pier) with the NSW Government. On March 2022, the Company completed its move to its new premises at ACO On The Pier.

The Company estimates that the cost of remaining NSW Government payments for tenant works contribution and new premises establishment costs to be incurred in future years is likely to be circa \$8 million. There remains a cash liability of \$15 million for NSW Government payments. To support its aspirations for a new premises, in 2021, the Company launched the public phase of its Capital Campaign. The Company was delighted to continue to receive generous support from patrons and philanthropists towards the Campaign throughout 2025. \$270,600 in cash donations were received during 2025 [life-to-date as at 31 December 2025, \$16,623,301 (\$16,352,701 life-to-date as at 31 December 2024)].

Review of operations

In 2025 the ACO celebrated its 50-year anniversary with a season filled with daring collaborations, vibrant artistry and extraordinary music.

Throughout 2025, the Company presented 217 concerts to an audience of over 122,500. These performances were held across Australian metropolitan centres including Sydney, Melbourne, Canberra, Adelaide, Brisbane and Perth; regional centres including Wyong and Port Macquarie (NSW), Ballarat and Narre Warren (VIC) and Margaret River, Albany and Bunbury (WA); and internationally in Amsterdam, Wrocław, Stuttgart and London.

The 50th anniversary celebrations culminated in a special concert performed in the Sydney Opera House Concert Hall on 21 November 2025, 50 years to the day that the ACO gave its first ever concert on the very same stage. Directed from the violin by Artistic Director Richard Tognetti, the concert featured appearances from special guests and collaborators including ABC presenters and hosts Megan Burslem and Jeremy Fernandez, Crowded House's Neil Finn, countertenor Iestyn Davies, oud player Joseph Tawadros, riq player James Tawadros, dancers from the Sydney Dance Company, the Sydney Children's Choir, as well as a special performance from 68 ACO Foundations students from St Marys North Public School, who joined the ACO onstage. The concert was filmed and recorded by ABC for a special broadcast that aired nationally on ABC TV and ABC iview.

In 2025, the Company also collaborated with world-renowned musicians and artists including South African cellist Abel Selaocoe, South African percussionist Sidiki Dembélé, German theremin player Carolina Eyck, Australian-Ukrainian pianist Alexander Gavrylyuk, Australian trumpet player David Elton, Australian recorder player Genevieve Lacey, Australian soprano Chloe Lankshear, Australian staging director Yaron Lifschitz and British-Nigerian theatre and cabaret star Le Gateau Chocolat. The 2025 Season opened with Richard Tognetti giving a critically acclaimed performance of Brahms's Violin Concerto before directing the Orchestra, joined onstage by current and former musicians of the ACO Emerging Artist program, in Beethoven's Symphony No.7. ACO musicians including Principal Violins Helena Rathbone and Satu Vänskä, violinist Anna da Silva Chen, and Principal Cello Timo-Veikko Valve were featured as soloists in the Season. The Company brought back Richard Tognetti's award-winning cinematic collaboration with director Jennifer Peedom, *Mountain*, for a series of four limited gala performances, in addition to giving five performances of Elena Kats-Chernin's soundtrack for Adam Elliot's Academy Award-nominated film, *Memoir of a Snail*, accompanied by a screening of the film, at ACO On The Pier.

Directors' report

The Company gave 10 world premieres of works by composers including Australian composers Holly Harrison, Jakub Jankowski, Elena Kats-Chernin, Bryony Marks, Erkki Veltheim and Nigel Westlake, and international composers including US composers David Lang and Nico Muhly, and Ukrainian composer Valentin Silvestrov. The Company also performed eight Australian premieres of works by composers Abel Selaocoe, Giovanni Sollima and Jörg Widmann.

The Company released two new recordings in partnership with ABC Classic across digital, vinyl and CD formats: *Tchaikovsky: Serenade & Andante Cantabile* | *Shostakovich: Chamber Symphony* and *Beethoven & Brahms: Concertos for Violin and Orchestra*.

In 2025, the ACO Instrument Fund acquired the 1610 Maggini viola, now played by ACO Principal Viola Stefanie Farrands. The Company was delighted with this newest addition to its collection of Golden Age instruments.

The ACO hosted 211 public events at ACO On The Pier in 2025, welcoming approximately 31,000 guests to the venue. In addition to *Memoir of a Snail*, the Company's events at ACO On The Pier included the continuation of its ACO Up Close series, which featured concerts by musicians of the Company, as well as concerts by guest artists including Panamanian pianist Danilo Pérez and Pinchgut Opera. The Company also presented three seasons of ACO Families shows at ACO On The Pier, including two new productions: *Where to Hide a Star*, based on the popular children's book by author and illustrator Oliver Jeffers, adapted and directed by Sandra Eldridge, with original music by Elena Kats-Chernin and starring actors William Bartolo and Evelina Singh alongside an ACO Families string quartet, and *Carols on the Pier*, a special Christmas production directed by Tim McGarry, performed in collaboration between the ACO and Luminescence Chamber Singers, featuring actor Drew Wilson. The Company also presented the return season of its acclaimed original production *The Princess, The Pea (and The Brave Escapee)*, directed by Tim McGarry and written by Finegan Kruckemeyer, with music by composer Bryony Marks and starring actor Micaela Ellis, who performed alongside an ACO Families string quartet.

In addition to the ACO's activities, 39 other arts organisations presented events at ACO On The Pier in 2025, including Sydney Festival, Sydney Conservatorium of Music, Luminescence Chamber Singers, Melba Opera Trust, Ensemble Apex, Ensemble Offspring, Australian National Academy of Music (ANAM), Australian String Quartet, Sydney Writers' Festival, Omega Ensemble, Australian Vocal Ensemble (AVE), Australian Youth Orchestra and Gondwana Choirs. The Company also hosted events for 41 organisations from a comprehensive range of industries, including media, technology, finance and FMCG.

The Company's Learning & Engagement program delivered over 20,000 hours of music education and mentoring activity to nearly 600 young people and emerging musicians. This included the Company's award-winning, research-backed ACO Foundations program, which in 2025 was expanded to a second school – Melbourne's Belle Vue Park Primary School – in addition to being delivered at St Marys North Public School in Western Sydney. The Company also continued to deliver the Orchestra's Emerging Artist mentoring program, ACO Academy, Penrith Youth Orchestra Academy, and workshops and masterclasses conducted with students at the University of Melbourne. The Company's Learning & Engagement program presented three seasons of ACO Families concerts, performing 112 shows for over 18,000 audience members at ACO On The Pier and around the country.

The Company also presented four ACO Relaxed Performances tailored for people with disability and performed a special collaboration between the ACO and neurodiverse musicians from Club Weld.

Strategic plan update

The Company's strategic objectives during 2025, as reflected in its 2025 - 2028 Strategic Plan were:

- **Artistic Excellence and Extension:** Continue to create, commission and present new programs that are artistically excellent, innovative, vibrant and imbued with our distinctive character.
- **Audience Development and Reach:** Continue to ensure that a broad range of Australians are able to access the Company and engage with our artform and diverse programs.
- **Nurture our Sector:** Maintain our commitment to supporting the development and growth of the next generation of Australian artists and our sector more broadly.
- **Organisational Strength:** Maintain best practice in governance, financial and people management.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year.

Directors' report

Significant events after the reporting period

There were no significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Likely developments and expected results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental regulation and performance

The Group is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 31 December 2025, and the numbers of meetings attended by each director were:

	Full meetings of directors		Finance, Audit, Investment and Risk Management Committee	
	A	B	A	B
M Myer AO	4	4	4	5
G Belgiorno-Nettis AM	2	4	-	-
H Carroll	3	4	-	-
J Crawford	4	4	-	-
J Fisher	4	4	5	5
E Flaherty	3	4	-	-
M Haysom	2	4	-	-
E Lewin	4	4	5	5
A McEvoy	3	4	-	-
P McMullin AM	3	4	-	-
J Steiner AM	4	4	-	-
M Theile	4	4	-	-
M Tu OAM (Appointed: 21 November 2025)	1	1	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

Share options

No option to acquire shares in the Group has been granted to any person. No shares have been issued during the financial year or since the end thereof by virtue of the exercise of any options. There are no unissued shares under option at the date of this report.

Insurance of officers and indemnities

Insurance of officers

During the financial year, Australian Chamber Orchestra Pty Ltd and its controlled entities paid a premium to insure the directors and secretaries of the Group and its Australian-based controlled entities, and the general managers of each of the divisions of the Group.

Directors' report

Auditor's independence

The directors have received an independence declaration from the auditor of Australian Chamber Orchestra Pty Ltd and its controlled entities. This has been included on page 11.

This report is signed in accordance with a resolution of the directors.



M Myer AO
Chairman
Sydney
30 April 2026



**Shape the future
with confidence**

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Auditor's independence declaration to the directors of Australian Chamber Orchestra Pty Ltd

In relation to our audit of the consolidated financial report of Australian Chamber Orchestra Pty Ltd and the entities it controlled for the financial year ended 31 December 2025, to the best of my knowledge and belief, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. no non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'APR'.

Andrew Price
Partner
30 April 2026

Consolidated statement of surplus or deficit and other comprehensive income

For the year ended 31 December 2025

	Notes	2025 \$	2024 \$
Revenue and other income			
Operating revenue	4	24,942,542	22,187,578
New musical instrument donations		2,000,000	3,100,000
Net investment income		2,229,936	2,204,399
		<u>29,172,478</u>	<u>27,491,977</u>
Other (loss)/income		(9,048)	280,525
Expenses			
Performance expenses		(11,755,210)	(11,162,464)
Development expenses		(787,181)	(386,121)
Marketing expenses		(1,088,520)	(1,231,924)
Overhead expenses	5.a	(10,952,325)	(9,258,468)
Instrument fund provision benefit/(expense)		1,052,572	(956,552)
Depreciation expenses	5.b	(921,786)	(952,355)
Finance costs	5.c	(530,983)	(669,955)
Surplus before tax		<u>4,179,997</u>	<u>3,154,663</u>
Instrument fund income tax benefit/(expense)	6	236,245	(409,950)
Surplus from continuing operations		<u>4,416,242</u>	<u>2,744,713</u>
(Surplus)/deficit attributable to external unitholders	15	(1,178,449)	1,247,219
Surplus for the year		<u>3,237,793</u>	<u>3,991,932</u>
Other comprehensive (loss)/income			
Revaluation (decrement)/increment of ACO musical instruments	10	(30,933)	1,316,132
Revaluation (decrement)/increment of instrument fund rare, historical stringed instruments	13	(797,395)	1,365,975
Other comprehensive income/(loss) attributable to external unitholders	15	720,703	(1,247,219)
Other comprehensive (loss)/income for the year		<u>(107,625)</u>	<u>1,434,888</u>
Total comprehensive income for the year		<u><u>3,130,168</u></u>	<u><u>5,426,820</u></u>

The above consolidated statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	7	10,267,082	7,443,436
Trade and other receivables		1,026,219	683,699
Inventories		6,606	-
Prepayments		558,569	602,484
Term deposit	8	2,944,484	823,485
Financial assets at fair value through surplus or deficit	9.a	11,000,547	8,000,426
Financial assets at amortised cost	9.b	45,682	390,923
Total current assets		25,849,189	17,944,453
Non-current assets			
Financial assets at fair value through surplus or deficit	9.a	6,706,676	9,976,078
Financial assets at amortised cost	9.b	11,988,323	11,496,785
Property, plant and equipment	10	15,499,950	16,014,465
Right-of-use assets	11	12,779,493	12,952,511
Intangible assets	12	-	69,260
Rare, historical stringed instruments held in the instrument fund	13	11,232,882	12,257,788
Total non-current assets		58,207,324	62,766,887
Total assets		84,056,513	80,711,340
Liabilities			
Current liabilities			
Trade and other payables	14	8,815,896	6,082,428
Contract liabilities	4	6,669,057	5,959,500
Grant liabilities		145,000	346,235
Financial liability to external unitholders	15	500,000	-
Employee benefit liabilities		1,191,905	993,472
Lease liabilities		2,797,936	2,634,838
Instrument fund income tax payable		557,854	-
Total current liabilities		20,677,648	16,016,473
Non-current liabilities			
Financial liability to external unitholders	15	6,823,947	6,866,201
Employee benefit liabilities		1,116,360	953,387
Instrument fund provision		1,954,986	3,007,558
Lease liabilities		5,637,194	8,357,413
Instrument fund deferred tax liabilities	6	1,177,428	1,971,527
Total non-current liabilities		16,709,915	21,156,086
Total liabilities		37,387,563	37,172,559
Net assets		46,668,950	43,538,781

Consolidated statement of financial position

As at 31 December 2025

	Notes	2025	2024
		\$	\$
Equity			
Share capital	17.a	18	17
Asset revaluation reserve	17.b	2,752,031	4,135,192
Restricted/designated reserve	17.b	18,201,054	20,072,488
Accumulated surplus		25,715,847	19,331,084
Total equity		46,668,950	43,538,781

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 31 December 2025

	Note	Share capital \$	Asset revaluation reserve \$	Restricted/ designated reserve \$	Accumulated surplus \$	Total equity \$
At 1 January 2025		17	4,135,192	20,072,488	19,331,084	43,538,781
Surplus for the year		-	(1,275,536)	-	4,513,329	3,237,793
Other comprehensive income		-	(107,625)	-	-	(107,625)
Total comprehensive income for the year		-	(1,383,161)	-	4,513,329	3,130,168
Transactions with owners in their capacity as owners:						
Share capital increase	17.a	1	-	-	-	1
Transfer (from)/to reserves	17.b	-	-	(1,871,434)	1,871,434	-
At 31 December 2025		18	2,752,031	18,201,054	25,715,847	46,668,950
At 1 January 2024		15	2,700,000	18,401,979	17,009,965	38,111,959
Prior period adjustment*		-	304	-	(304)	-
At 1 January 2024 (restated)		15	2,700,304	18,401,979	17,009,661	38,111,959
Surplus for the year		-	-	-	3,991,932	3,991,932
Other comprehensive income		-	1,434,888	-	-	1,434,888
Total comprehensive income for the year		-	1,434,888	-	3,991,932	5,426,820
Transactions with owners in their capacity as owners:						
Share capital increase	17.a	2	-	-	-	2
Transfer to/(from) reserves	17.b	-	-	1,670,509	(1,670,509)	-
At 31 December 2024		17	4,135,192	20,072,488	19,331,084	43,538,781

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

* Prior period adjustment in relation to change in the ACO investment in the Instrument Fund.

Consolidated statement of cash flows

For the year ended 31 December 2025

	Notes	2025 \$	2024 \$
Operating activities			
Receipts from customers (inclusive of GST)		14,567,039	11,492,217
Receipts from sponsors and donors		10,152,868	7,645,712
Receipts from government grants		2,706,004	2,869,832
Net GST (paid)/received		(329,968)	16,331
Payments to suppliers and employees (inclusive of GST)		(23,747,109)	(20,964,389)
Other income received		31,382	43,529
Interest paid		(530,983)	(669,955)
Interest/distribution received		2,229,936	2,204,399
Net cash flows from operating activities		5,079,169	2,637,676
Investing activities			
Proceeds from sale of property, plant and equipment		647	725
Purchase of property, plant and equipment		(216,386)	(5,466,265)
Purchase of intangible assets		-	(69,260)
Proceeds from sale of rare, historical stringed instruments	13	3,359,347	-
Purchase of rare, historical stringed instruments	13	(3,131,836)	-
Payments for financial assets at fair value through surplus or deficit		-	(11,980,804)
(Payments for)/proceeds from sale of financial assets at amortised cost		(146,297)	7,940,273
(Payments for)/proceeds from other financial assets		(2,120,999)	3,411,513
Net cash flows used in investing activities		(2,255,524)	(6,163,818)
Financing activities			
Share capital increase	17.a	1	2
Net cash flows from financing activities		1	2
Net increase/(decrease) in cash and cash equivalents		2,823,646	(3,526,140)
Cash and cash equivalents at 1 January		7,443,436	10,969,576
Cash and cash equivalents at 31 December	7	10,267,082	7,443,436

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 31 December 2025

1. Corporate information

The consolidated financial statements of Australian Chamber Orchestra Pty Ltd (the "Company") and its controlled entities (collectively, the "Group") for the year ended 31 December 2025 were authorised for issue by the directors on 30 April 2026.

Australian Chamber Orchestra Pty Ltd is a not-for-profit company limited by shares, incorporated and domiciled in Australia.

The registered office and principal place of business of the Company is Suite 3, 13A Hickson Road, Dawes Point, NSW 2000.

Further information on the nature of the operations and principal activities of the Group are provided in the directors' report. Information on the Group's structure is provided in Note 16. Information on other related party relationships of the Group is provided in Note 18.

2. Material accounting policies

This note provides a list of potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Australian Chamber Orchestra Pty Ltd and its controlled entities.

a. Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Corporations Act 2001*, *Australian Accounting Standards - Simplified Disclosure Requirements*, the *Australian Charities and Not-for profits Commission Act 2012* and the *Charitable Fundraising Act 1991 (NSW)*. The Group is a not-for-profit entity for the purpose of preparing the consolidated financial statements.

i. Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities - measured at fair value through the surplus or deficit,
- ACO Musical instruments recorded in property, plant and equipment where the revaluation model has been adopted are measured at fair value with the revaluation gain or loss recognised in other comprehensive income (OCI).

ii. New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Group intends to adopt these new amended Standards and interpretations, if applicable, when they become effective.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting year ended 31 December 2025. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

b. Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

b. Principles of consolidation and equity accounting (continued)

Amounts owing to external unitholders in the Australian Chamber Orchestra Instrument Fund (the "Fund"), are presented as a liability and represent the portion of the surplus or deficit of the Australian Chamber Orchestra Instrument Fund and net assets that are not held by the Group. The Group attributes total comprehensive income or loss of the Australian Chamber Orchestra Instrument Fund between the owners of the Parent and the external unitholders based on their respective ownership interests.

c. Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

d. Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian Dollars (\$), which is the Group's functional and presentation currency.

ii. Transactions and balances

All other foreign exchange gains and losses are presented in the consolidated statement of surplus or deficit and other comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

e. Financial instruments

Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through surplus or deficit), and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in surplus or deficit (FVPL) or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

The Group's financial assets at amortised cost includes cash and short-term deposits, bond and trade and other receivables.

Classification of financial assets at fair value through surplus or deficit

The Group classifies the following financial assets at FVPL:

- Debt investments that do not qualify for measurement at either amortised cost
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

e. Financial instruments (continued)

Fair value measurements

The fair value of financial securities is their market price at the reporting date. All financial securities have a daily unit value in the market in which they are sold, and it is that daily unit value applicable at 31 December of each year, which is used to derive fair value measurement.

Reserves are invested in line with the Parent entity's Investment Policy Statement.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value.

Subsequent to initial recognition, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in net investment income using the effective interest rate (EIR) method. Any gain or loss arising on derecognition is recognised directly in surplus or deficit and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of surplus or deficit and other comprehensive income.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 2.g for further details.

Financial liabilities

(i) Recognition and derecognition

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and lease liabilities.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of surplus or deficit and other comprehensive income.

(ii) Measurement

Subsequent to initial recognition financial liabilities are recognised at amortised cost using the EIR method.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

f. Prepayments

Musical performances

The costs associated with musical performances that are incurred in the current financial year in respect of productions not yet performed, are included in the consolidated statement of financial position as prepayments under current assets.

g. Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the EIR method.

The Group applies the AASB 9 simplified approach to measuring ECLs which uses a lifetime expected loss allowance for all trade receivables.

h. Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i. Property, plant and equipment

Property, plant and equipment (excluding musical instruments) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to surplus or deficit during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	3 - 12 years
Motor vehicles	3 - 10 years
Leasehold improvements	Life of lease or useful life of the asset, whichever is shorter
Musical instruments	100 - 450 years

Musical instruments are supported by market evidence and are determined periodically by professional independent valuers that have recognised experience, expertise and knowledge with respect to the available market and the condition of the instruments.

Musical Instruments held by the Parent entity are considered to have an extremely long useful life. As such, useful life depreciation expense is considered immaterial.

Any revaluation movement is recognised in OCI.

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

i. Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.m).

Gains and losses on disposals of property, plant and equipment (excluding musical instruments) are determined by comparing proceeds with carrying amount. These are included in surplus or deficit.

Property, plant and equipment and intangible assets costing \$5,000 (2024: \$5,000) and above, individually or forming a Group of parts or components costing more than \$5,000 (2024: \$5,000) are capitalised.

j. Rare, historical stringed instruments

The rare, historical stringed instruments are held for long term capital growth. They are classified as financial assets and are measured at fair value. Instruments are initially recognised at cost, which approximates fair value at the acquisition date.

Fair value is determined based on periodic, at least triennial, valuations by reputable independent valuers and the reasonableness of the value is assessed annually. Valuations are based on market prices, adjusted for any difference in craftsmanship, age and/or condition of the instrument, if necessary. The reputable independent valuers have recognised experience, expertise and knowledge with respect to the available market and the condition of the instruments.

Any gain or loss resulting from a change in the valuation of rare, historical musical instruments is immediately recognised in OCI as a change in the valuation of rare, historical stringed instruments.

k. Leases

The Group leases both premises and office equipment. The Australian Chamber Orchestra Pty Ltd have executed premises lease agreements for each tenancy area it occupies spanning terms from 45 years to 87 years and 8 months, with extension options. Equipment rental contracts are typically made for fixed periods of 1 to 5 years and are normally accounted for as low value leases due to the low value of the underlying asset.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate (IBR) is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

k. Leases (continued)

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in surplus or deficit. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

l. Intangible assets

(i) Software and website development

Software and website developments are capitalised on the basis of the costs incurred to acquire and install the specific software.

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets.

(ii) Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Software	3 - 5 years
Website	3 years

m. Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. Trade and other payables are all financial liabilities measured at amortised cost, see Note 14.

o. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer or fulfil a specific donor contract. If a customer pays consideration before the Group transfers goods or services to the customer or donor pays before its contract obligations are fulfilled, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

p. Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

p. Employee benefits (continued)

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of Australian Government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in surplus or deficit.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group pays contributions to publicly or privately administered defined contribution superannuation plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

q. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

r. Share capital

Ordinary shares are classified as equity.

s. Revenue recognition

Operating revenue is recognised for the major business activities using the methods outlined below.

Performance revenue

Revenue from ticket sales is recognised at the time concert performances are delivered.

Revenue in respect of productions not yet performed is included in the consolidated statement of financial position as contract liability under current liabilities.

Transaction and exchange fees earned on sale of ticket is recognised when the fee is received.

Bequest and donations revenue

Donations collected, including cash and goods for resale, are recognised as revenue when the Group gains control, economic benefits are probable, and the amount of the donation can be measured reliably. Where a donation contains 'sufficiently specific' contract obligations, then the donation is recognised only when the contract obligations are fulfilled. While the "sufficient specific" contract obligations remain unfulfilled, the donation is held as a contract liability.

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

s. Revenue recognition (continued)

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Group becomes legally entitled to the shares or property.

Sponsorship revenue

Where a sponsorship contract contains 'sufficiently specific' performance obligations, then revenue is recognised only when (or as and when) the performance obligations are fulfilled. If the sponsorship contract does not contain 'sufficiently specific' performance obligations, revenue is recognised when the Group obtains control of the funds.

Sponsorship benefits may be received by way of cash, or as non-cash or in-kind benefits known as 'contra sponsorship'. The respective goods and services related to this income are reflected in the appropriate expense or asset accounts.

Government funding revenue

A number of the Group's programs are supported by grants received from the Federal, State and Local governments. If the grant contract contains 'sufficiently specific' performance obligations, then revenue is recognised only when (or as and when) the performance obligations are fulfilled. If the grant contract does not contain 'sufficiently specific' performance obligations, revenue is recognised when the group obtains control of the funds.

Government core funding (received under Tri-partite funding agreement with the NSW and Australian Government) is separated from Government project funding which is specifically tied to a project deliverable.

Venue hires and related services revenue

External hirers of the ACO On The Pier spaces are invoiced for use of the spaces and associated services, for their external event, the revenue is recognised at the conclusion of the event booking.

At the confirmation of an event booking, a venue deposit is received and held in the balance sheet and at conclusion of the event the revenue is recognised.

Volunteer services

The Group has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Other revenue is recognised using the methods outlined below:

Net investment income

Interest income is recognised using the EIR method.

See Note 2.e for how the Group classifies its financial securities between those measured subsequently at fair value and those to be measured at amortised cost. All realised income under these methods is reported under net investment income, including gains/(loss) on sale of financial assets at fair value. Any investment advisor fees are netted off against this revenue and forms part of overall net investment income.

This also includes any unrealised gains/(losses) on financial securities measured at fair value through surplus or deficit and any foreign exchange gains/(losses).

t. Operating expenses

Operating expenses are recognised in surplus or deficit upon utilisation of the service at the date of their origin.

u. Finance costs

All finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

v. Income tax

The Parent entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

The Australian Chamber Orchestra Instrument Fund Pty Ltd is subject to tax. The Company accounts for the current and future tax consequences of its own assets and liabilities and other events as the Fund is currently a public trading trust. The Trustee is liable to pay tax on the net income of the Fund.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiary operates and generates taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in surplus or deficit.

w. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

x. Parent entity financial information

The financial information for the Parent entity, Australian Chamber Orchestra Pty Ltd, and its controlled entities, disclosed in Note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the consolidated financial statements of Australian Chamber Orchestra Pty Ltd and its controlled entities. Dividends received from subsidiaries are recognised in the Parent entity's surplus or deficit when its right to receive the dividend is established, noting no dividends have been paid, nor received (2024: \$nil).

y. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period but resulting in no impact to the overall profit for the year.

Notes to the consolidated financial statements

For the year ended 31 December 2025

3. Significant accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Value of musical instruments and rare, historical stringed instruments

Management uses valuation techniques to determine the fair value of its musical instruments and rare, historical stringed instruments. These values are supported by market evidence. Management relies on the advice of external professional valuers that have recognised expertise, knowledge and experience with respect to the available market and the condition of the instruments. The fair value may vary from the actual market price that would be achieved in an arm's length transaction at the reporting date.

(ii) Instrument fund provision

The instrument fund provision represents the estimated future cash flows that management estimates could result from transactions costs and the liquidity risk relating to units in the Australian Chamber Orchestra Instrument Fund. The Fund invests in rare, historical stringed instruments which are infrequently traded and the units themselves are restricted to limited withdrawal opportunities and are not traded in an organised public market, but can be transferred privately to other wholesale investors.

(iii) Leases - determining the lease term

Management considers all facts and circumstances when determining whether to exercise a lease option to extend lease term. Extension options are included if there is reasonably certainty the lease will be extended. Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended. The Group will re-assess the lease term; if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(iv) Leases - incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an IBR is estimated to discount rate future lease payments to measure the present value of the lease liability at the lease commencement date. Generally, the Group uses its IBR as the discount rate.

Notes to the consolidated financial statements

For the year ended 31 December 2025

4. Operating revenue

	2025	2024
	\$	\$
Performance revenue	10,627,041	10,581,138
Sponsorship revenue	1,880,436	1,594,863
Bequest and donations revenue	8,272,432	6,050,849
Government core funding	2,486,004	2,413,597
Government project funding	421,235	375,411
Venue hires and related services revenue	1,255,394	1,171,720
	<u>24,942,542</u>	<u>22,187,578</u>

In addition to the above revenue, \$2,000,000 (2024: \$3,100,000) was received as a new musical instrument donation which enabled the Company to acquire the 1741-44 Giuseppe Guarneri del Gesù violin in 2024 (ACO musical instruments are included in Note 10).

a. Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2025	2024
	\$	\$
Contract liabilities - performance income in advance	5,911,452	5,498,464
Contract liabilities - sponsorships in advance	156,513	102,940
Contract liabilities - donations, trust and foundations in advance	185,000	155,000
Contract liabilities - other unearned revenue	416,092	203,096
	<u>6,669,057</u>	<u>5,959,500</u>

5. Expenses

a. Superannuation expense

Included within performance expenses and overhead expenses is superannuation expense of \$1,156,144 (2024: \$989,721).

b. Depreciation expenses

	Notes	2025	2024
		\$	\$
Depreciation expense of property, plant and equipment	10	699,697	731,504
Depreciation expense of right-of-use assets	11	222,089	220,851
		<u>921,786</u>	<u>952,355</u>

c. Finance costs

	2025	2024
	\$	\$
Interest expense on lease liabilities	530,983	669,955

Notes to the consolidated financial statements

For the year ended 31 December 2025

6. Instrument fund income tax

Only the Australian Chamber Orchestra Instrument Fund Pty Ltd is subject to tax.

The major components of income tax (benefit)/expense for the years ended 31 December 2025 and 2024 are:

	2025	2024
	\$	\$
Deferred tax:		
(Decrease)/increase in deferred tax liabilities	(239,218)	409,792
Utilisation of tax losses	51	-
Temporary differences - interest income accrual	2,922	158
Instrument fund income tax (benefit)/expense	(236,245)	409,950

Reconciliation of tax (benefit)/expense and the accounting surplus multiplied by Australia's statutory tax rate for 2025 and 2024:

	2025	2024
	\$	\$
Accounting surplus before tax	4,179,997	3,154,663
At Australia's statutory income tax rate of 30% (2024: 30%)	1,253,999	946,399
Non-deductible expenses for tax purposes:		
Relating to not-for-profit status of parent entity	(935,253)	(1,233,207)
Relating to instrument fund provision	(315,771)	286,965
Relating to revaluation increment on investment fund rare, historical stringed instruments	(239,220)	409,793
Instrument fund income tax (benefit)/expense	(236,245)	409,950

Instrument fund deferred tax

Movements in deferred tax expense recognised in the consolidated statement of surplus or deficit:

	2025	2024
	\$	\$
At 1 January	1,971,527	1,561,577
Investments in rare, historical stringed instruments	(239,218)	409,792
Utilisation of tax losses	51	-
Interest income	2,922	158
Instrument fund income tax payable	(557,854)	-
At 31 December	1,177,428	1,971,527

The investment fund has tax losses that arose in Australia of \$24,575 (2024: \$34,316) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Notes to the consolidated financial statements

For the year ended 31 December 2025

7. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank and on hand	217,664	138,820
Short-term deposits	10,049,418	7,304,616
	<u>10,267,082</u>	<u>7,443,436</u>

8. Term deposit

	2025	2024
	\$	\$
Term deposit	2,944,484	823,485

The term deposits have fixed interest rates between 3.91% and 4.53% (2024: between 4.65% to 4.70%). These terms deposits all mature by 31 December 2026 (2024: 31 December 2025) or earlier.

9. Investments

a. Financial assets at fair value through surplus or deficit

Financial assets mandatorily measured at FVPL include the following:

	2025	2024
	\$	\$
Current		
Diversified portfolio	11,000,547	8,000,426
Non-current		
Diversified portfolio	<u>6,706,676</u>	<u>9,976,078</u>

Notes to the consolidated financial statements

For the year ended 31 December 2025

9. Investments (continued)

b. Financial assets at amortised cost

Financial assets at amortised cost include the following debt investments:

	2025	2024
	\$	\$
Current		
Other financial assets	45,682	390,923
Non current		
Other financial assets	11,988,323	11,496,785

c. Financial assets and liabilities

	Notes	Financial assets at FVPL \$	Financial assets at amortised cost \$	Total \$
Financial assets				
2025				
Current				
Cash and cash equivalents	7	-	10,267,082	10,267,082
Trade and other receivables		-	1,026,219	1,026,219
Term deposit	8	-	2,944,484	2,944,484
Investments	9.a, 9.b	11,000,547	45,682	11,046,229
		11,000,547	14,283,467	25,284,014
Non-current				
Investments	9.a, 9.b	6,706,676	11,988,323	18,694,999
		6,706,676	11,988,323	18,694,999
Total financial assets		17,707,223	26,271,790	43,979,013

Notes to the consolidated financial statements

For the year ended 31 December 2025

9. Investments (continued)

c. Financial assets and liabilities (continued)

	Notes	Financial assets at FVPL \$	Financial assets at amortised cost \$	Total \$
2024				
Current				
Cash and cash equivalents	7	-	7,443,436	7,443,436
Trade and other receivables		-	683,699	683,699
Term deposit	8	-	823,485	823,485
Investments	9.a	8,000,426	390,923	8,391,349
		<u>8,000,426</u>	<u>9,341,543</u>	<u>17,341,969</u>
Non-current				
Investments	9.a, 9.b	9,976,078	11,496,785	21,472,863
		<u>9,976,078</u>	<u>11,496,785</u>	<u>21,472,863</u>
Total financial assets		<u>17,976,504</u>	<u>20,838,328</u>	<u>38,814,832</u>

	Note	Financial liabilities at amortised cost \$
Financial liabilities		
2025		
Trade and other payables	14	8,815,896
Total financial liabilities		<u>8,815,896</u>
2024		
Trade and other payables	14	6,082,428
Total financial liabilities		<u>6,082,428</u>

Notes to the consolidated financial statements

For the year ended 31 December 2025

10. Property, plant and equipment

	Plant and equipment \$	Motor vehicles \$	Leasehold improvements \$	Musical instruments \$	Work in progress \$	Total \$
Cost and valuation						
At 1 January 2025	4,585,764	66,084	1,476,748	12,710,446	190,686	19,029,728
Additions	-	-	-	-	216,386	216,386
Transfers	347,930	-	15,474	-	(363,404)	-
Revaluations	-	-	-	(30,933)	-	(30,933)
Disposals	(3,240)	-	-	-	-	(3,240)
At 31 December 2025	4,930,454	66,084	1,492,222	12,679,513	43,668	19,211,941
Accumulated depreciation						
At 1 January 2025	2,886,094	37,626	91,543	-	-	3,015,263
Depreciation charge for the year	658,699	5,421	35,577	-	-	699,697
Disposals	(2,969)	-	-	-	-	(2,969)
At 31 December 2025	3,541,824	43,047	127,120	-	-	3,711,991
Net book value						
At 31 December 2025	1,388,630	23,037	1,365,102	12,679,513	43,668	15,499,950
At 31 December 2024	1,699,670	28,458	1,385,205	12,710,446	190,686	16,014,465

Notes to the consolidated financial statements

For the year ended 31 December 2025

10. Property, plant and equipment (continued)

Work in progress

Work in progress represents plant and equipment acquired for use at the Company's premises at ACO On The Pier. Total remaining work in progress to 31 December 2025 is \$43,668 (2024: \$190,686).

Valuation of musical instruments

Musical Instruments are broken into subcategories, and the rare historical golden age stringed instruments category were revalued in the year ended 31 December 2025 (previously in 2024) by reputable independent valuers in the instruments trading currency.

All other musical instrument categories were last all revalued in 2024 (previously 2022) for underlying instrument values. As all musical instruments are valued in the currency provided by the leading international independent experts. These musical instruments are then converted into Australian dollars based on the Reserves Bank of Australia published exchange rate for the closing reporting period as at 31 December each year.

The resulting valuation decrease on the ACO owned musical instrument valuations as at 31 December 2025 was \$30,933 (2024: valuation increase of \$1,316,132). The impact from exchange rate movements was \$267,500 decrement (2024: \$634,889 increment) and movements from the underlying instrument value increments was \$236,567 (2024: \$681,243 increment).

11. Leases

Group as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Premises
	\$
At 1 January 2025	12,952,511
Additions	49,071
Depreciation expense	(222,089)
At 31 December 2025	12,779,493

Presented below is a maturity analysis of future lease payments:

	2025	2024
	\$	\$
Within one year	3,137,175	3,133,934
Later than one year but not later than five years	4,685,875	6,535,735
Later than five years	4,823,988	5,977,874
	12,647,038	15,647,543

The amount of expense relating to short-term leases and leases of low-value assets recognised in surplus or deficit during the year ended 31 December 2025 was \$67,577 (2024: \$68,356).

Notes to the consolidated financial statements

For the year ended 31 December 2025

12. Intangible assets

	Software \$	Website \$	Work in progress \$	Total \$
Cost				
At 1 January 2025	185,864	334,407	69,260	589,531
Disposals	-	-	(69,260)	(69,260)
At 31 December 2025	185,864	334,407	-	520,271
Accumulated amortisation				
At 1 January 2025	185,864	334,407	-	520,271
At 31 December 2025	185,864	334,407	-	520,271
Net book value				
At 31 December 2025	-	-	-	-
At 31 December 2024	-	-	69,260	69,260

13. Instrument fund

Rare, historical stringed instruments held in the instrument fund

	2025 \$	2024 \$
Non-current assets - at fair value		
At 1 January	12,257,788	10,891,813
Acquisition	3,131,836	-
Disposal	(3,359,347)	-
Net (loss)/gain on revaluation through other comprehensive income	(797,395)	1,365,975
At 31 December	11,232,882	12,257,788

External valuations from reputable valuers are requested on at least a triennial basis and are based on active market prices, adjusted for any difference in craftsmanship, age and/or condition of each instrument, if necessary. The fair value is the amount which a willing party in an arm's length transaction would be willing to pay, based on current prices in an active market for similar instruments with similar qualities. These valuations are provided in US dollars.

All rare historical stringed musical instruments held in the instrument fund; the *1728/29 Stradivarius violin*, the *1714 Guarneri violin*, the *1616 Brothers Amati Cello* and the *1590 Brothers Amati Violin* were revalued in 2025 and approved by the Instrument Fund Board on 30 June 2025 (2024: approved 17 June 2024) with the underlying valuations in US dollars increasing by USD 125,000 in 2025 (2024: USD 170,667).

On 2 October 2025 after careful consideration and extensive due diligence, the Instrument Fund Board approved the sale of the *1714 Guarneri violin* to fund the purchase of another rare, historical stringed instrument, the *1610 Maggini Viola*. The *1714 Guarneri violin* sale was completed on 24 October 2025 for \$3,359,347 (net of selling costs) to an unrelated external entity, with the resulting gain on sale of USD \$0.85m from when first purchased in 2014. On 24 October 2025, the *1610 Maggini Viola* was purchased for \$3,131,836 by the Instrument Fund.

At 31 December 2025, the directors reviewed the fair value of these instruments and determined the fair value to be appropriate and continues to reflect the most recent valuation of the Instrument Fund Board. An effective AUD/USD exchange rate as at 31 December 2025 of \$0.669 (2024: \$0.622) is applied to convert to AUD valuation reported here.

Notes to the consolidated financial statements

For the year ended 31 December 2025

14. Trade and other payables

	2025	2024
	\$	\$
Trade payables	239,145	367,541
Accrued expenses	8,416,002	5,249,834
Accrued payroll and other statutory liabilities	157,720	202,503
Ticket holder on-account credits from cancelled performances	3,029	262,550
	<u>8,815,896</u>	<u>6,082,428</u>

Trade and other payables are all financial liabilities measured at amortised cost, see Note 9.c.

15. Financial liability to external unitholders

	2025	2024
	\$	\$
Current		
Financial liability to external unitholders	500,000	-
Non-current		
Financial liability to external unitholders	6,823,947	6,866,201
Movement in liability to external unitholders in the Australian Chamber Orchestra Instrument Fund (the "Fund")		
At 1 January	6,866,201	6,666,201
New units issued	-	200,000
Current year total comprehensive income attributable to external unitholders	457,746	-
At 31 December	<u>7,323,947</u>	<u>6,866,201</u>
Total comprehensive income attributable to external unitholders:		
Surplus/(deficit)	1,178,449	(1,247,219)
Other comprehensive (loss)/income	(720,703)	1,247,219
	<u>457,746</u>	<u>-</u>

As stipulated within the Trust Deed, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all the other units of the Fund.

Notes to the consolidated financial statements

For the year ended 31 December 2025

15. Financial liability to external unitholders (continued)

Capital and liquidity risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amounts of net assets attributable to unitholders are subject to daily applications and periodical redemptions. Applications can be made at any time by wholesale clients.

The Fund reached its 10-year anniversary (First Anniversary Date) on 14 July 2021. On 15 July 2021, the 10-year anniversary unitholder meeting was held to vote to consider the continuation of the Fund, the unitholders present, in person and by proxy at the meeting, unanimously voted and resolved to continue the Fund for another five years. The Fund will be required within a three-month window of the 15-year anniversary (Second Anniversary Date) to put a resolution to unitholders to continue the Fund for a further five years. Unless such a resolution is passed at the meeting by more than 50% of unitholders (by value) attending the meeting, the Fund will terminate and, in accordance with the Fund's trust deed, its assets will be realised and the net proceeds (after meeting all Fund liabilities) will be distributed to unitholders. The 15-year anniversary is on 14 July 2026. In the event of the winding up of the Fund, the time needed to realise the assets of the Fund, meet liabilities and make distributions to unitholders is likely to exceed the time needed to complete the same steps for a traditional investment fund. The parent entity is of the view, and on advice from the Fund, that the wind-up of the Fund is an unlikely event and if it were to occur would be over an extended period of up to 24 months.

A unit in the Fund is an illiquid investment. The Trustees are provided with periodic withdrawal opportunities under which a limited number of units will be purchased by the Australian Chamber Orchestra Pty Ltd from investors who wish to participate in the relevant withdrawal opportunity. The Trustee provides withdrawal opportunities every three years. The withdrawal opportunity for redemption since the Fund's inception occurred during 2014, 2017, 2020 and in 2023. 50,000 units were redeemed during the first withdrawal window, none in the second window, 263,094 units were redeemed during the third window and 321,462 units were redeemed in the last withdrawal opportunity in July 2023. The next (and fifth) withdrawal window will commence on 1 July 2026.

If the Trustee determines that the Fund's cash levels materially exceed its forecast requirements, it will offer a pro-rata redemption opportunity or make a pro-rata capital distribution to unitholders. There were no distributions paid or payable during the year or at 31 December 2025.

16. Group information

The consolidated financial statements of the Group include the Company and its subsidiaries, as follows:

Name	% equity interest		
	Country of incorporation	2025	2024
Australian Chamber Orchestra Instrument Fund	Australia	9.6	8.7

The Australian Chamber Orchestra Instrument Fund Pty Ltd is the Trustee for the Australian Chamber Orchestra Instrument Fund. The entity is a controlled entity as 50% or more of the directors are directors of Australian Chamber Orchestra Pty Ltd, and the chairperson is a director of the Australian Chamber Orchestra Pty Ltd with a casting vote if required.

The Trustee of the Australian Chamber Orchestra Instrument Fund, requires that the majority of its directors must be directors of Australian Chamber Orchestra Pty Ltd and if there is an even number of directors, 50% of the directors must be directors of Australian Chamber Orchestra Pty Ltd, and one of the directors who is a director of the Australian Chamber Orchestra Pty Ltd must also be the chairperson of the directors, with the casting vote if required.

As at 31 December 2025, the Trustee entity held cash of \$16 (2024: \$16), in trust for applicants for units in the Australian Chamber Orchestra Instrument Fund.

As at 31 December 2025, Australian Chamber Orchestra Instrument Fund held cash of \$244,933 (2024: \$240,753).

As at 31 December 2025, the entity had issued 5,064,572 units (2024: 5,013,322 units). On 6 November 2025, the ACO purchased an additional 51,250 units in the Instrument Fund for \$1.60 each, acquiring in total \$82,000 of units. At reporting date, the Australian Chamber Orchestra Pty Ltd holds 487,105 of these units (2024: 435,855 units).

Notes to the consolidated financial statements

For the year ended 31 December 2025

16. Group information (continued)

The Instrument Fund Board undertook a valuation of the current units and agreed on 30 June 2025 to increase the value of the unit price at \$1.60 (2024: \$1.50 per unit was confirmed at valuation on 17 June 2024). The value of \$1.60 per unit, continues to be an appropriate unit value as at 31 December 2025.

17. Issued capital and reserves

a. Share capital

	2025	2024
	\$	\$
Ordinary shares of \$1 each	18	17
	Number of	\$
	shares	\$
At 1 January 2025	17	17
Share capital increase (issued)	1	1
At 31 December 2025	18	18

Ordinary shares

Ordinary shareholders are not entitled to receive any dividends, bonuses or fees, nor are they entitled to a share of the proceeds upon winding up of the Parent entity.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

b. Reserves

Nature and purpose of reserves

Asset revaluation reserve

Asset revaluation reserve consists of:

- ACO musical instrument asset revaluation represents the movement in fair value in ACO musical instruments recognised in OCI from the original cost;
- Instrument Fund musical instrument asset revaluation represents the movement in fair value in rare, historical stringed instruments which is recognised in OCI from the original cost, and
- Surplus to external unitholders' reserves represents the external unitholders share of the movement in fair value in rare, historical stringed instruments which is recognised in OCI rather than surplus or deficit of the year.

Restricted/designated reserve

Restricted/designated reserve consists of:

- New Premises Project - One-off Capital Payments to NSW Government and Transition costs

Reserves have been established to fund the substantial contractual capital payments owing to NSW Government for the new Company premises on Pier 2/3 in the Walsh Bay Arts Precinct (ACO On The Pier). Obligation for payments commenced when the Company officially took possession of these premises in 2022.

Additionally, in 2025 the Company continued to incur additional transitional costs related to finalising the establishment of ACO On The Pier, which includes IT Systems and various consultancy expenses for example.

Notes to the consolidated financial statements

For the year ended 31 December 2025

17. Issued capital and reserves (continued)

b. Reserves (continued)

Overall, the Company estimates at the end 31 December 2025, that the remaining one-off capital payments and contractual costs to be incurred in future years is likely to be circa \$8 million (2024: \$11 million).

- Other tied donations/future projects fund

Consists of funds for future projects and donations received with a specific purpose and to support activities over a number of years. Included in here is both the corpus to create a scholarship in memory of former Company Board Director, Peter Shorthouse, which supports an emerging artist each year within the Australian Chamber Orchestra's Emerging Artists program, with the second representative awarded in 2025. In addition, the establishment in 2025 of the Australian Chamber Orchestra Learning and Engagement Endowment Fund, following ACO 50th Anniversary Gala event, noting on-going pledges are expected to continue in 2026 to 2030 to further grow the corpus.

- Instrument fund redemption reserve

The Australian Chamber Orchestra Instrument Fund will provide investors with withdrawal opportunities from the Fund every three years, limited to \$500,000 at each withdrawal window. It is intended that those withdrawals will be funded by the Parent entity which shall buy those units from those investors seeking to participate in the withdrawal opportunity. The next withdrawal opportunity will commence on 1 July 2026.

18. Related party disclosures

a. Transactions with other related parties

The Parent entity and the Australian Chamber Orchestra Instrument Fund Pty Ltd have signed a "Fund Administration Agreement" whereby the Parent entity agrees to provide fund administration, instrument management and general asset management duties on behalf of the Australian Chamber Orchestra Instrument Fund Pty Ltd at no cost.

The Parent entity has incurred administrative costs of \$189,397 (2024: \$147,151) on behalf of Australian Chamber Orchestra Instrument Fund Pty Ltd during the year ended 31 December 2025. These costs are not subject to reimbursement by the Australian Chamber Orchestra Instrument Fund Pty Ltd.

The Parent entity incurred lease expenses of \$36,616 (2024: \$36,720) paid to another related party during the year.

Directors and parties related to the directors of the Parent entity held units in the Australian Chamber Orchestra Instrument Fund as follows:

2025 Unitholder	Units opening	Units closing	Fair value (\$)	
	number	number	\$1.60/unit	Interest held (%)
J Steiner	15,000	15,000	24,000	0.3
Wyargine Holdings Pty Ltd	200,000	200,000	320,000	3.9
	215,000	215,000	344,000	4.2

2024 Unitholder	Units opening	Units closing	Fair value (\$)	
	number	number	\$1.50/unit	Interest held (%)
J Steiner	15,000	15,000	22,500	0.3
Wyargine Holdings Pty Ltd	200,000	200,000	300,000	4.0
	215,000	215,000	322,500	4.3

b. Compensation of key management personnel of the Group

There are no key management personnel compensation paid during the year (2024: \$nil). The key management personnel, the non-executive directors are all working on a pro-bono basis.

Notes to the consolidated financial statements

For the year ended 31 December 2025

19. Commitments and contingencies

Commitments

The Group did not have any material capital or other commitments as at 31 December 2025 (2024: \$nil).

Contingencies

There are no contingent assets or contingent liabilities as at the reporting date which would have a material effect on the Group's consolidated financial statements as at 31 December 2025 (2024: \$nil).

20. Auditor's remuneration

The auditor of Australian Chamber Orchestra Pty Ltd and its controlled entities is Ernst & Young (Australia) (2024: Ernst & Young (Australia) for the Australian Chamber Orchestra and PwC Australia for the Instrument Fund). In addition to the audit or review of the financial report, non-audit services are provided. In 2025, Ernst & Young (Australia) services was received as in-kind support. The Group paid both Ernest & Young (Australia) & PWC Australia in cash.

	2025	2024
	\$	\$
Amounts received or due and receivable by Ernst & Young (Australia):		
An audit or review of the financial report	60,000	60,000
Non-audit services	12,525	-
	<u>72,525</u>	<u>60,000</u>
Amounts received or due and receivable by PwC Australia:		
An audit or review of the financial report and non-audit services	5,000	11,087
	<u>5,000</u>	<u>11,087</u>
	<u><u>77,525</u></u>	<u><u>71,087</u></u>

21. Economic dependence

The Group is dependent upon the ongoing receipt of Federal and State Government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report Management has no reason to believe that this financial support will not continue.

22. Events after the reporting period

There have been no significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Notes to the consolidated financial statements

For the year ended 31 December 2025

23. Information and declaration to be furnished under the Charitable Fundraising Act 1991 (NSW)

The Parent entity holds an authority to fundraise under the *Charitable Fundraising Act 1991 (NSW)* and conducts fundraising appeals throughout the year.

	2025	2024
	\$	\$
Details of aggregate gross fundraising income and expenditure:		
Gross proceeds from fundraising appeals	10,272,432	9,150,849
Less: costs of fundraising	(661,141)	(364,674)
Net surplus from fundraising appeals	9,611,291	8,786,175
Application of funds to fund operations	(11,262,125)	(10,288,878)
Deficit for the year	(1,650,834)	(1,502,703)
Balance at the beginning of year	4,452,593	5,955,296
Deficit for the year	(1,650,834)	(1,502,703)
Balance at the end of year	2,801,759	4,452,593

Application of funds:

Of the net surplus from fundraising appeals (net of direct costs of fundraising in 2025) of \$9,611,291 (2024: \$8,786,175), expenditure of \$11,262,125 (2024: \$10,288,878) was applied, in line with the Company's charitable purpose resulting in a deficit for the year of \$1,650,834 (2024: \$1,502,703).

The balance of accumulated funds at the end of the 2025 financial year of \$2,801,759 (2024: \$4,452,593) is being held in total assets in the consolidated statement of financial position, for expenditure in future years.

Agents:

The Company did not conduct any fundraising appeals in which traders were engaged in 2025 or 2024.

Notes to the consolidated financial statements

For the year ended 31 December 2025

24. Information relating to Australian Chamber Orchestra Pty Ltd (the "Parent")

	2025	2024
	\$	\$
Current assets	25,332,134	17,963,095
Total assets	73,042,275	68,866,029
Current liabilities	19,619,778	16,016,452
Total liabilities	26,373,332	25,327,253
Share capital	13	12
Reserves	21,633,621	23,492,402
Accumulated surplus	25,035,309	20,046,362
	<u>46,668,943</u>	<u>43,538,776</u>
Surplus for the year	3,117,513	4,110,688
Other comprehensive income	12,653	1,316,132
Total comprehensive income for the year	<u>3,130,166</u>	<u>5,426,820</u>

As at 31 December 2025, the Parent entity had \$nil bank guarantees (2024: \$nil).

The Parent had no contractual commitments for acquisitions of property, plant and equipment as at 31 December 2025 (2024: \$nil).

The Parent had no contingent assets or contingent liabilities as at 31 December 2025 (2024: \$nil).

Reserves

The Parent entity has restricted/designated reserves of \$18,201,054 as at 31 December 2025 (2024: \$20,072,488).

Included within here are reserves established to fund the substantial contractual capital payments owing to NSW Government for the new Company premises on Pier 2/3 in the Walsh Bay Arts Precinct (ACO On The Pier). Payments commenced when the Company officially took possession of these premises in 2022.

In addition, the Company continued in 2025 to incur additional transitional costs related to finalising the establishment of ACO On The Pier, which includes IT Systems and various consultancy expenses for example.

Overall, the Company estimates at 31 December 2025, that the remaining one-off capital payments and contractual costs to be incurred in future years is likely to be circa \$8 million (2024: circa \$11 million).

Directors' declaration

Declaration made in accordance with the Australian Charities and Not-for-profits Commission Regulation 2013

The directors of Australian Chamber Orchestra Pty Ltd (the "Company") declare that:

- a. the consolidated financial statements which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of surplus or deficit and other comprehensive income or loss, consolidated statement of changes in equity, and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - i. complying with *Australian Accounting Standards – Simplified Disclosures*, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the year ended on that date; and
- b. In the opinion of the directors there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Declaration made in accordance with the Charitable Fundraising Act 1991

In the opinion of the directors of Australian Chamber Orchestra Pty Ltd (the "Company"):

- a. The consolidated financial statements and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals conducted by the organisation for the year ended 31 December 2025; and
- b. The consolidated statement of financial position as at 31 December 2025 give a true and fair view of the state of affairs of the consolidated entity with respect to fundraising appeals conducted by the organisation; and
- c. The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, the conditions attached to the authority to fundraise have been complied with by the organisation; and
- d. The internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the directors.



M Myer AO
Chairman
Sydney
30 April 2026



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Independent auditor's report to the members of Australian Chamber Orchestra Pty Ltd

Opinion

We have audited the financial report of Australian Chamber Orchestra Pty Ltd (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of surplus or deficit and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for profits Commissions Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

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.



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Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not for profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 Group'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 Group'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 Group to cease to continue as a going concern.



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- 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.
- 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 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.

Ernst & Young

Ernst & Young

APC

Andrew Price
Partner
Sydney
30 April 2026