

Central Coast Conservatorium of Music Ltd

ABN 17 615 618 823

Annual Report - 31 December 2025

Central Coast Conservatorium of Music Ltd

Contents

31 December 2025

Directors' report	2
Independent auditor's report to the members of Central Coast Conservatorium of Music Ltd	5
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Directors' declaration	24

Central Coast Conservatorium of Music Ltd
Directors' report
31 December 2025

The Directors present their report, together with the financial statements, on Central Coast Conservatorium of Music Ltd ('the company') formerly known as "Central Coast Conservatorium of Music Inc" ('the Association') for the year ended 31 December 2025.

Directors

The following persons were Directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Neil Sequeira (Chair) (appointed 31 Aug 2025)
Janaki Selvarajan (appointed 31 Aug 2025)
Laura Denham (appointed 31 Aug 2025)
Claire Braund (Chair) (resigned 14 April 2025)
Elizabeth Scott (resigned 1 September 2025)
Kate McCallum (resigned 23 July 2025)
Paul Murnane (resigned 1 September 2025)
Rob Kitchen (resigned 1 September 2025)
Penny Lee (resigned 19 August 2025)
Catharine Retter (resigned 1 September 2025)
Douglas Wallace (resigned 23 July 2025)
David Booth (appointed 23 January 2026)

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- Providing one-to-one music lessons at the Gosford campus;
- Delivering music tuition to primary school students across the Central Coast;
- Creating opportunities for students to play together in ensembles and choirs;
- Providing performance and rehearsal spaces and event support for Conservatorium students and other artistic and cultural groups;
- Providing gainful opportunities to qualified and experienced music educators on the Central Coast;
- Delivering events for Central Coast audiences; and
- Hosting fundraising events and activities.

Objectives

Short term objectives

- Provide quality musical education and performance opportunities to students and adults on the NSW Central Coast;
- Grow awareness and recognition of the Conservatorium as a provider of music education for life;
- Grow and diversify funding and revenue sources;
- Increase board members and stabilise board;
- Restructure conservatorium management;
- Update the constitution to better reflect the governance required by our membership.

Long term objectives

- Build and secure a sustainable financial future;
- Partner with local businesses, philanthropists and local and state government to secure permanent fit for purpose performance and rehearsal spaces;
- Outreach beyond the existing Conservatorium customers to offer music education in all its forms to a wider Central Coast community.

Operating result

The deficit for the year amounted to \$236,454 (2024: \$288,330)

Environmental issues

The Directors believe the company has complied with all significant environmental regulations under a law of the Commonwealth or of a state territory.

**Central Coast Conservatorium of Music Ltd
Directors' report
31 December 2025**

Meetings of Directors

The number of meetings of the Directors held during the year ended 31 December 2025, and the number of meetings attended by each Director was:

	Meetings attended	Meetings held
Neil Sequeira (Chair) (appointed 31 Aug 2025)	2	2
Janaki Selvarajan (appointed 31 Aug 2025)	2	2
Laura Denham (appointed 31 Aug 2025)	2	2
Claire Braund (Chair) (resigned 14 April 2025)	2	2
Elizabeth Scott (resigned 1 September 2025)	4	4
Kate McCallum (resigned 23 July 2025)	2	4
Paul Murnane (resigned 1 September 2025)	4	4
Rob Kitchen (resigned 1 September 2025)	4	4
Penny Lee (resigned 19 August 2025)	3	4
Catharine Retter (resigned 1 September 2025)	4	4
Douglas Wallace (resigned 23 July 2025)	2	4

Significant changes in the state of affairs

On the Dr. Lisa Barnes resigned as CEO on 27 June 2025. On 22th June 2025 Mr. Tristan Sharp was appointed interim CEO and served in the role until 21th October 2025. On the 21th October 2025 Mr. Patrick Brennan took on additional responsibilities as Artistic Director and CEO.

The Board of Directors also underwent a complete change. 3 new directors were appointed on 31 August 2025 following a period of member unrest with governance practices, after which the incumbent Directors resigned on 1 Sep 2025.

On 28 Nov 2025, the members of the Company voted by special resolution to amend the Constitutional meeting quorum requirements from a *majority of members* to "20 members or 10% of all Members".

Dividends

There were no dividends paid during the year or declared at year end.

Future developments

Disclosure of information regarding likely developments in the operations of the company 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 company.

Events after the reporting period

The Central Coast Council's decision to sell premises at 126 Georgiana Terrace may potentially affect the company's operations. This land is currently rented from the Council by the Central Coast Conservatorium at a nominal fee. The Board and management team are evaluating strategies to address these matters.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the association's state of affairs in future financial years.

Contributions on winding up

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. In the event of the company being wound up, the constitution states that ordinary members are required to contribute a maximum of \$20 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$2,420, based on 121 current ordinary members.

Central Coast Conservatorium of Music Ltd
Directors' report
31 December 2025

Indemnifying officer or auditor

During the year, the Company held a director's and officer's liability policy. The insurance policy provides cover for the directors named in this report, the company secretary, officers and former directors and officers of the Company. This policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

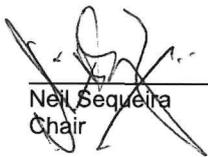
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor or the company.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



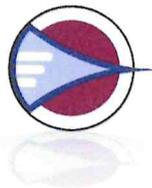
Neil Sequeira
Chair

23 February 2026



Janaki Selvarajan
Director

HEAD OFFICE
Suite 6, 6 Reliance Drive
Tuggerah NSW 2259



BISHOP COLLINS
AUDIT PTY LTD
ABN: 98 159 109 305

ALL CORRESPONDENCE
PO Box 3686
Tuggerah NSW 2259

W: <https://www.bishopcollinsaudit.com.au>

E: audit@bcaudit.com.au

T: (02) 4314 8020

**INDEPENDENT AUDITOR'S DECLARATION
TO THE MEMBERS OF CENTRAL COAST CONSERVATORIUM OF MUSIC LIMITED
(FORMERLY KNOWN AS CENTRAL COAST CONSERVATORIUM OF MUSIC INC.)**

We hereby declare that to the best of our knowledge and belief during the year ended 31 December 2025, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


Martin Le Marchant

Auditor's Registration No.

431227

Address

Suite 6, 6 Reliance Drive, Tuggerah NSW 2259

Dated

23 February 2026



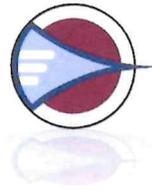
LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Directors: Martin Le Marchant CA,
Johan Van Der Westhuizen CA

Associate Director: Cecille Capucao CA

HEAD OFFICE
Suite 6, 6 Reliance Drive
Tuggerah NSW 2259



BISHOP COLLINS
AUDIT PTY LTD
ABN: 98 159 109 305

ALL CORRESPONDENCE
PO Box 3686
Tuggerah NSW 2259

W: <https://www.bishopcollinsaudit.com.au>

E: audit@bcaudit.com.au

T: (02) 4314 8020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CENTRAL COAST CONSERVATORIUM OF MUSIC LIMITED
(FORMERLY KNOWN AS CENTRAL COAST CONSERVATORIUM OF MUSIC INC.)**

Audit Opinion

We have audited the accompanying financial report of Central Coast Conservatorium of Music Limited ('the Company') which comprises the statement of financial position as at 31 December 2025, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a material accounting policies information and other explanatory information and the Directors' Declaration.

In our opinion, the accompanying financial report of Central Coast Conservatorium of Music Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards- Simplified Disclosures (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 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 Company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and ethical requirements of the Accounting Professional & 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 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 of our opinion.



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Directors: Martin Le Marchant CA,
Johan Van Der Westhuizen CA

Associate Director: Cecille Capucao CA



Information Other than the Financial Report and Auditor's Report Thereon

The Responsible Entities (Directors) of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2025 but does not include the financial report and our auditor's report thereon.

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.

Responsible Entities' Responsibilities for the Financial Report

The Responsible Entities ('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 Disclosure Requirements to the extent described in Note 2 to the financial report 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the 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 judgement 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 Trust'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 in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


Martin Le Marchant

Auditor's Registration No.

431227

Address

Suite 6, 6 Reliance Drive, Tuggerah NSW 2259

Dated

23 February 2026

Central Coast Conservatorium of Music Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Note	2025 \$	2024 \$
Revenue			
	4	1,606,514	1,704,445
Government grants and subsidies	5	577,803	582,248
Other income	6	28,727	78,624
Total revenue		<u>2,213,044</u>	<u>2,365,317</u>
Expenses			
Employee benefits expense		(1,805,357)	(2,001,457)
Depreciation and amortisation expense	7	(119,371)	(144,456)
Insurance expense		(40,697)	(37,805)
Events expense		(21,991)	(26,701)
Repairs and maintenance expense		(32,555)	(85,789)
Scholarships paid		(62,023)	(46,322)
IT expense		(30,184)	(34,027)
Bad debt expense		(10,669)	(22,062)
Auditor remuneration	21	(10,500)	(24,100)
Bank charges and fees		(20,126)	(10,877)
Consultants expense		(114,580)	(49,316)
Occupancy expenses		(163,539)	(152,201)
Other expenses		(17,906)	(18,534)
Total expenses		<u>(2,449,498)</u>	<u>(2,653,647)</u>
Deficit before income tax expense		(236,454)	(288,330)
Income tax expense		-	-
Deficit after income tax expense for the year	18	(236,454)	(288,330)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(236,454)</u>	<u>(288,330)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Central Coast Conservatorium of Music Ltd
Statement of financial position
As at 31 December 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	8	349,790	481,389
Trade and other receivables	9	29,573	35,228
Financial assets	10	211,993	203,384
Other	11	23,031	24,087
Total current assets		<u>614,387</u>	<u>744,088</u>
Non-current assets			
Property, plant and equipment	12	2,534,280	2,639,797
Intangibles	13	16,428	24,641
Total non-current assets		<u>2,550,708</u>	<u>2,664,438</u>
Total assets		<u>3,165,095</u>	<u>3,408,526</u>
Liabilities			
Current liabilities			
Trade and other payables	14	188,626	217,658
Employee benefits	15	101,936	105,279
Other	16	39,847	46,831
Total current liabilities		<u>330,409</u>	<u>369,768</u>
Non-current liabilities			
Employee benefits	17	125,986	93,604
Total non-current liabilities		<u>125,986</u>	<u>93,604</u>
Total liabilities		<u>456,395</u>	<u>463,372</u>
Net assets		<u>2,708,700</u>	<u>2,945,154</u>
Equity			
Retained surpluses	18	2,708,700	2,945,154
Total equity		<u>2,708,700</u>	<u>2,945,154</u>

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

Central Coast Conservatorium of Music Ltd
Statement of changes in equity
For the year ended 31 December 2025

	Retained surpluses	Total equity
	\$	\$
Balance at 1 January 2024	3,233,484	3,233,484
Deficit after income tax expense for the year	(288,330)	(288,330)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(288,330)</u>	<u>(288,330)</u>
Balance at 31 December 2024	<u>2,945,154</u>	<u>2,945,154</u>
	Retained surpluses	Total equity
	\$	\$
Balance at 1 January 2025	2,945,154	2,945,154
Deficit after income tax expense for the year	(236,454)	(236,454)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(236,454)</u>	<u>(236,454)</u>
Balance at 31 December 2025	<u>2,708,700</u>	<u>2,708,700</u>

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

Central Coast Conservatorium of Music Ltd
Statement of cash flows
For the year ended 31 December 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,237,586	2,345,630
Payments to suppliers (inclusive of GST)		(2,393,711)	(2,468,325)
Other income received		<u>17,978</u>	<u>41,393</u>
		(138,147)	(81,302)
Interest received		<u>17,617</u>	<u>16,864</u>
Net cash used in operating activities	19	<u>(120,530)</u>	<u>(64,438)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	(13,809)	(25,291)
Payments for intangibles	13	-	(5,375)
Payments for investments		(8,609)	(203,384)
Proceeds from disposal of property, plant and equipment		<u>11,349</u>	<u>43,991</u>
Net cash used in investing activities		<u>(11,069)</u>	<u>(190,059)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(131,599)	(254,497)
Cash and cash equivalents at the beginning of the financial year		<u>481,389</u>	<u>735,886</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>349,790</u></u>	<u><u>481,389</u></u>

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

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 1. General information

The financial statements cover Central Coast Conservatorium of Music Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Central Coast Conservatorium of Music Ltd's functional and presentation currency.

Central Coast Conservatorium of Music Ltd is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

45 Mann St, Gosford NSW 2250

A description of the nature of the company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 February 2026. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

This financial report has been prepared on a going concern basis.

Comparatives

Certain comparatives have been reclassified to better conform to the current year report.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 2. Material accounting policy information (continued)

Rendering of services and tuition fees

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Grant Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax. The association is also a Deductible Gift Recipient (DGR).

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 2. Material accounting policy information (continued)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Plant and equipment, including musical instruments, is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-30 years
Plant and equipment	3-7 years
Musical instruments	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 2. Material accounting policy information (continued)

Capital Works-in-progress

Research and feasibility costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Capital works in progress are transferred to property, plant and equipment are depreciated when completed and ready for use.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

Website

Significant costs associated with the development of the website are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Impairment of non-financial assets

Non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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 reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation expense

Contributions to superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 2. Material accounting policy information (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term and below-market rate leases

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Below-market value leases are recognised at cost rather than fair value as permitted under Australian Accounting Standards. In the event the lease terms, including rental payments, materially change, the association will need to reconsider the measurement of the right-of-use asset and lease liability. This will include consideration and significant judgement relating to the underlying lease term including options to extend. This may result in potentially material changes to the amounts of recognised assets, liabilities and lease payments in the financial report.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Economic dependence

The company is dependent upon the ongoing financial subsidies from government departments and generous benefactors to support continued operations.

At the date of this report, the Directors have no reason to believe the government department and the other benefactors will not continue to support the company.

Note 4. Revenue

	2025	2024
	\$	\$
Enrolment Fees	27,581	21,171
Teaching revenue	1,445,250	1,609,338
Scholarship revenue	41,585	20,866
Event income	57,702	30,161
Patrons fund income	678	1,356
Other revenue	33,718	21,553
	<u>1,606,514</u>	<u>1,704,445</u>

Note 5. Government grants and subsidies

	2025	2024
	\$	\$
Regional conservatorium grant program	559,825	540,855
Other grants	17,978	41,393
	<u>577,803</u>	<u>582,248</u>

Note 6. Other income

	2025	2024
	\$	\$
Gain on disposal of property, plant and equipment	9,181	35,342
Insurance recoveries	-	20,000
Recoveries	1,929	6,418
Interest income	17,617	16,864
	<u>28,727</u>	<u>78,624</u>

Note 7. Depreciation and amortisation expense

	2025	2024
	\$	\$
Depreciation	111,158	133,664
Amortisation	8,213	10,792
	<u>119,371</u>	<u>144,456</u>

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 8. Current assets - cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank and on hand	349,790	481,389

Note 9. Current assets - trade and other receivables

	2025	2024
	\$	\$
Trade receivables	33,196	36,183
Less: Allowance for doubtful debts	(8,823)	(955)
	<u>24,373</u>	<u>35,228</u>
Other receivables	5,200	-
	<u>29,573</u>	<u>35,228</u>

Note 10. Current assets - financial assets

	2025	2024
	\$	\$
Term deposit	211,993	203,384

Note 11. Current assets - other

	2025	2024
	\$	\$
Prepayments	23,031	24,087

Note 12. Non-current assets - property, plant and equipment

	2025	2024
	\$	\$
Leasehold improvements - at cost	2,614,141	2,606,432
Less: Accumulated depreciation	(203,530)	(140,638)
	<u>2,410,611</u>	<u>2,465,794</u>
Office equipment - at cost	234,646	228,539
Less: Accumulated depreciation	(179,344)	(149,407)
	<u>55,302</u>	<u>79,132</u>
Musical instruments - at cost	288,194	304,002
Less: Accumulated depreciation	(219,827)	(215,131)
	<u>68,367</u>	<u>88,871</u>
Work in progress - at cost	-	6,000
	<u>2,534,280</u>	<u>2,639,797</u>

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 12. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office Equipment \$	Musical Instruments \$	Leasehold Improvements \$	Work in progress \$	Total \$
Balance at 1 January 2025	79,132	88,871	2,465,794	6,000	2,639,797
Additions	6,106	-	7,703	-	13,809
Disposals	-	(2,168)	-	-	(2,168)
Write off of assets	-	-	-	(6,000)	(6,000)
Depreciation expense	(29,936)	(18,336)	(62,886)	-	(111,158)
Balance at 31 December 2025	<u>55,302</u>	<u>68,367</u>	<u>2,410,611</u>	<u>-</u>	<u>2,534,280</u>

Note 13. Non-current assets - intangibles

	2025 \$	2024 \$
Website - at cost	49,915	49,915
Less: Accumulated amortisation	(33,487)	(25,274)
	<u>16,428</u>	<u>24,641</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Website \$	Total \$
Balance at 1 January 2025	24,641	24,641
Amortisation expense	(8,213)	(8,213)
Balance at 31 December 2025	<u>16,428</u>	<u>16,428</u>

Note 14. Current liabilities - trade and other payables

	2025 \$	2024 \$
Trade payables	51,121	54,193
Accrued expenses	23,307	32,502
PAYG payables	21,832	26,309
Superannuation payable	44,745	46,769
BAS payable	47,621	57,885
	<u>188,626</u>	<u>217,658</u>

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 15. Current liabilities - employee benefits

	2025	2024
	\$	\$
Annual leave	36,995	46,071
Long service leave	64,941	59,208
	<u>101,936</u>	<u>105,279</u>

Note 16. Current liabilities - other

	2025	2024
	\$	\$
Grants received in advance	10,500	10,000
Teaching revenue in advance	22,282	4,081
Scholarships & bursaries in advance	7,065	32,750
	<u>39,847</u>	<u>46,831</u>

Note 17. Non-current liabilities - employee benefits

	2025	2024
	\$	\$
Long service leave	<u>125,986</u>	<u>93,604</u>

Note 18. Equity - retained surpluses

	2025	2024
	\$	\$
Retained surpluses at the beginning of the financial year	2,945,154	3,233,484
Deficit after income tax expense for the year	(236,454)	(288,330)
Retained surpluses at the end of the financial year	<u>2,708,700</u>	<u>2,945,154</u>

Note 19. Reconciliation of deficit after income tax to net cash used in operating activities

	2025	2024
	\$	\$
Deficit after income tax expense for the year	(236,454)	(288,330)
Adjustments for:		
Depreciation and amortisation	119,371	144,456
Write off of work-in-progress	6,000	-
Net gain on disposal of property, plant and equipment	(9,181)	(35,342)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,655	8,201
Decrease/(increase) in prepayment	1,056	(2,519)
Increase/(decrease) in trade and other payables	(29,032)	90,137
Increase/(decrease) in employee benefits	29,039	25,859
Increase/(decrease) in income in advance	(6,984)	(6,900)
Net cash used in operating activities	<u>(120,530)</u>	<u>(64,438)</u>

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 20. Key management personnel disclosures

Compensation

The aggregate compensation made to the members of key management personnel of the company is set out below:

	2025	2024
	\$	\$
Aggregate compensation	<u>268,402</u>	<u>359,442</u>

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services rendered by the auditor of the company, Bishop Collins Audit Pty Ltd:

	2025	2024
	\$	\$
<i>Assurance services -</i>		
Audit of the financial statements	<u>8,900</u>	<u>8,500</u>
<i>Other services -</i>		
Preparation of Financial statements	1,600	1,600
Other services	<u>-</u>	<u>14,000</u>
	<u>1,600</u>	<u>15,600</u>
	<u>10,500</u>	<u>24,100</u>

Note 22. Commitments

	2025	2024
	\$	\$
<i>Capital commitments</i>		
Leasehold improvements payable within 12 months	<u>-</u>	<u>4,240</u>

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

The following transactions occurred with related parties:

The Company employs persons related to members of key management personnel. The terms of employment for each of these individuals are on commercial terms consistent with all employees of the company. These individuals received no conditions more favourable than those which are reasonable to expect that they would have received if there had been no relationship with members of key management personnel.

	2025	2024
	\$	\$
Payment for goods and services:		
A related party to the former Chief Executive Officer is employed by the company. The total remuneration paid during the year	32,683	42,986

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Central Coast Conservatorium of Music Ltd
Notes to the financial statements
31 December 2025

Note 23. Related party transactions (continued)

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2025	2024
	\$	\$
Current receivables:		
Other receivable from key management personnel	5,000	-

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Patrons Fund - Charmain Gadd

Charmain Gadd is a patron of the Conservatorium. A world renown violinist, Charmain raises funds for the Conservatorium Strings Department by regularly holding concerts and events.

An amount of \$14,270 remains in the fund for the future needs of the String Department and to underwrite the staging of future events.

	2025	2024
	\$	\$
Patron Fund Donations & Sponsorship fund at the beginning of the financial year	13,592	12,236
Patron Fund Inc/(Exp) during the year	<u>678</u>	<u>1,356</u>
Patron Fund Donations & Sponsorship fund at the end of the financial year	<u><u>14,270</u></u>	<u><u>13,592</u></u>

The amounts above do not include the purchase of violins as they are accounted for under Musical Instruments.

Note 25. Events after the reporting period

The Central Coast Council's decision to sell premises at 126 Georgiana Terrace may potentially affect the company's operations. This land is currently rented from the Council by the Central Coast Conservatorium at a nominal fee. The Board and management team are evaluating strategies to address these matters.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Central Coast Conservatorium of Music Ltd
Directors' declaration
31 December 2025

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Neil Sequeira
Chair



Janaki Selvarajan
Director

23 February 2026