

# Adelaide Film Festival

Financial report  
for the year ended  
30 June 2018



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## To the Chair of the Board Adelaide Film Festival

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 13(3) of the schedule to the *Public Corporations Act 1987*, I have audited the financial report of the Adelaide Film Festival for the financial year ended 30 June 2018.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Film Festival as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, Chief Executive Officer/Festival Director and the Finance Manager.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Adelaide Film Festival. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

## **Responsibilities of the Chief Executive Officer/Festival Director and the Board for the financial report**

The Chief Executive Officer/Festival Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines 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.

The Board of the Adelaide Film Festival is responsible for overseeing the entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

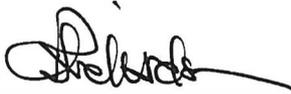
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer/Festival Director
- 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer/Festival Director about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

**Auditor-General**

21 September 2018

# Adelaide Film Festival Financial Statements

## Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Adelaide Film Festival:

- comply with relevant Treasurer’s instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and any relevant Australian accounting standards;
- are in accordance with the accounts and records of the Adelaide Film Festival; and
- present a true and fair view of the financial position of the Adelaide Film Festival as at 30 June 2018 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Adelaide Film Festival for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.

Signed by Sandra Sdraulig

Chair

Date 12/9/2018

Signed by Amanda Duthie

Amanda Duthie  
CEO/Festival Director

Date 12/9/2018

Signed by Taisija Pedler

Taisija Pedler  
Finance Manager

Date 12/9/2018

**Adelaide Film Festival**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 30 June 2018

	Note No.	2018 \$' 000	2017 \$' 000
<b>Expenses</b>			
Employee benefits	3	1 184	503
Supplies and services	5	3 996	1 052
Depreciation and amortisation	10	5	5
<b>Total expenses</b>		<b>5 185</b>	<b>1 560</b>
<b>Income</b>			
Revenues from sales		265	10
Interest		47	39
Non SA Government grants & sponsorships	6	1 615	76
Investment returns	13	7	33
Other income		57	28
<b>Total income</b>		<b>1 991</b>	<b>186</b>
<b>Net cost of providing services</b>		<b>3 194</b>	<b>1 374</b>
SA Government grants	7	3 724	1 661
<b>Net result</b>		<b>530</b>	<b>287</b>
<b>Total comprehensive result</b>		<b>530</b>	<b>287</b>

The net result and the total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

Adelaide Film Festival  
2017-2018  
Revised 15/8/2018

**Adelaide Film Festival**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	8	2 153	1 389
Receivables	9	80	36
<b>Total current assets</b>		<b>2 233</b>	<b>1 425</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	17	6
<b>Total non-current assets</b>		<b>17</b>	<b>6</b>
<b>Total assets</b>		<b>2 250</b>	<b>1 431</b>
<b>Current liabilities</b>			
Payables	11	426	187
Employee benefits	12	84	41
<b>Total current liabilities</b>		<b>510</b>	<b>228</b>
<b>Non-current liabilities</b>			
Employee benefits	12	22	15
<b>Total non-current liabilities</b>		<b>22</b>	<b>15</b>
<b>Total liabilities</b>		<b>532</b>	<b>243</b>
<b>Net assets</b>		<b>1 718</b>	<b>1 188</b>
<b>Equity</b>			
Retained earnings		1 718	1 188
<b>Total equity</b>		<b>1 718</b>	<b>1 188</b>
<b>The total equity is attributable to the SA Government as owner</b>			
Unrecognised Contractual Commitments	15		
Contingent assets and liabilities	16		

The above statement should be read in conjunction with the accompanying notes.

Adelaide Film Festival  
2017-2018  
Revised 15/8/2018

**Adelaide Film Festival**  
**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 30 June 2018

	Retained Earnings	Total
	\$'000	\$'000
<b>Balance at 30 June 2016</b>	<b>901</b>	<b>901</b>
Net result for 2016-17	287	287
<b>Total comprehensive result for 2016-17</b>	<b>287</b>	<b>287</b>
<b>Balance at 30 June 2017</b>	<b>1 188</b>	<b>1 188</b>
Net result for 2017-18	530	530
<b>Total comprehensive result for 2017-18</b>	<b>530</b>	<b>530</b>
<b>Balance at 30 June 2018</b>	<b>1 718</b>	<b>1 718</b>

The above statement should be read in conjunction with the accompanying notes.

Adelaide Film Festival  
2017-2018  
Revised 15/8/2018

**Adelaide Film Festival  
STATEMENT OF CASH FLOWS**

For the year ended 30 June 2018

	Note No.	2018 Inflows (Outflows) \$'000	2017 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefit payments		(1 112)	(457)
Supplies and services		(2 772)	(1 028)
Payments on behalf of other entities		(146)	(239)
Other payments		-	(1)
Net GST paid to the ATO and suppliers		(45)	-
Trust funds payments		(85)	(313)
<b>Cash used in operations</b>		<b>(4 160)</b>	<b>(2 038)</b>
<b>Cash inflows</b>			
Receipts from the sale of goods and services		246	30
Interest received		40	38
Receipts from Non SA Government grants and sponsorships		503	64
Funds received on behalf of other entities		290	-
Trust funds received		73	299
Other receipts		64	42
<b>Cash generated from operations</b>		<b>1 216</b>	<b>473</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		3 724	1 661
<b>Cash generated from SA Government grants</b>		<b>3 724</b>	<b>1 661</b>
<b>Net cash provided by operating activities</b>		<b>780</b>	<b>96</b>
<b>Cash flows from Investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(16)	(3)
<b>Net cash used in investing activities</b>		<b>(16)</b>	<b>(3)</b>
<b>Net increase in cash and cash equivalents</b>		<b>764</b>	<b>93</b>
Cash and cash equivalents at the beginning of the financial year		1 389	1 296
<b>Cash and cash equivalents at the end of the financial year</b>	<b>8</b>	<b>2 153</b>	<b>1 389</b>

The above statement should be read in conjunction with the accompanying notes.

# NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS

## ADELAIDE FILM FESTIVAL

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## Adelaide Film Festival

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### Note 1 Basis of financial statements

#### Reporting Entity

The Adelaide Film Festival (AFF) is a government agency of the State of South Australia, established pursuant to the *Public Sector Act 2009*. AFF is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of AFF.

AFF does not control any other entity and has no interests in unconsolidated structured entities

#### Statement of Compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

AFF has applied Australian Accounting Standards that are applicable to not-for-profit entities, as AFF is a not-for-profit entity. Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by AFF for the period ending 30 June 2018.

#### Basis of Preparation

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes.

#### Taxation

AFF is not subject to income tax. AFF is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

### Note 2 Objectives and activities

#### Objectives

AFF's objectives are:

- To present a festival which celebrates and explores contemporary Australian and international screen culture with a unique program of screenings and special events, which aim to increase audience knowledge and participation.
- To increase and stimulate innovative and new screen production through the provision of equity finance for the premiering at the Festival.
- To raise the profile of arts and screen culture in South Australia for audiences and practitioners.

#### Activities

AFF undertakes the following activities:

- Adelaide Film Festival - Biennial film festivals held in the city of Adelaide
- Hybrid World Adelaide - Annual digital entertainment and technology event

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**Note 3 Employee benefits**

	2018	2017
	\$'000	\$'000
Salaries and wages	1 025	432
Annual leave	35	12
Long service leave	7	18
Employment on-costs - superannuation	94	39
Employment on-costs - other	23	2
<b>Total employee benefits expenses</b>	<b>1 184</b>	<b>503</b>

There was no employee whose remuneration received or receivable was greater than \$149,000, the base executive remuneration level in 2017-18.

During 2007-08 the Board and Arts SA approved a portion of the Festival Director and Associate Director's salary to be charged to the Adelaide Film Festival Investment Fund (AFFIF). The following employee benefits expenditure was charged to the AFFIF during the reporting period:

	2018	2017
	\$'000	\$'000
Salaries and wages	45	45
Employment on-costs - superannuation	4	4
Employment on-costs - other	1	1
<b>Total employee benefits expenses</b>	<b>50</b>	<b>50</b>

**Targeted Voluntary Separation Packages**

There were no TVSP's paid during the reporting period.

**Key Management Personnel**

Key management personnel of AFF include the Minister, the Chief Executive Officer and the seven members of the Board who have responsibility for the strategic direction and management of AFF.

Total compensation for key management personnel was \$138,435 in 2017-18 and \$132,000 in 2016-17.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the Parliamentary Remuneration Act 1990.

**Note 4 Remuneration of board and committee members**

**Board members**

The following persons held the position of governing board member during the financial year:

Ms Sandra Sdraulig	Ms Sandy Verschoor (appointed November 2017)
Ms Maria Ravese	Mr Gregory Knagg (retired October 2017)
Mr Andrew Mackie	Mr Jamie Restas (retired April 2018)
Ms Martha Coleman	

**Remuneration of governing board members**

The members of the AFF board have not received remuneration during the financial year.

Unless otherwise disclosed, transactions between board members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arms length in the same circumstances.

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**Note 5 Supplies and services**

	2018	2017
	\$'000	\$'000
<b>Programmed event</b>		
<b>Supplies and services provided by entities external to the SA Government</b>		
Box office	168	1
Hive Lab	52	-
Hospitality	62	6
Marketing	1 211	233
Production	470	9
Screen rights	49	-
Travel and accommodation	171	36
Venue hire	151	9
Artists fees	512	13
<b>Total programmed event – Non SA Government</b>	<b>2 846</b>	<b>307</b>
<b>Total programmed event</b>	<b>2 846</b>	<b>307</b>
<b>Administration expenses</b>		
<b>Supplies and services provided by entities within the SA Government</b>		
Insurance	3	2
Audit fees	20	16
<b>Total administration expenses – SA Government entities</b>	<b>23</b>	<b>18</b>
<b>Supplies and services provided by entities external to the SA Government</b>		
Travel - Board	19	29
Board & committee meeting costs	2	7
Plant and equipment maintenance	11	4
Telecommunications	30	7
Bank fees	7	4
Postage and distribution fees	15	1
Office rental	19	15
Consultants	194	-
Contractors	26	-
Other administration expenses	86	41
<b>Total administration expenses – Non SA Government</b>	<b>409</b>	<b>108</b>
<b>Total administration expenses</b>	<b>432</b>	<b>126</b>
<b>Adelaide Film Festival Investment Fund</b>		
<b>Supplies and services provided by entities within the SA Government</b>		
Audit fees	2	2
<b>Total AFFIF programming expenses - SA Government entities</b>	<b>2</b>	<b>2</b>
	2018	2017
	\$'000	\$'000
<b>Supplies and services provided by entities external to the SA Government</b>		
Feature films/documentaries	523	443
Short films	87	84
Cross platform	10	22
Legal costs	16	20
Functions/premieres	31	8
Travel	31	23
Marketing	11	13
Other administration expenses	7	4
<b>Total AFFIF programming expenses - Non SA Government</b>	<b>716</b>	<b>617</b>
<b>Total AFFIF programming expenses</b>	<b>718</b>	<b>619</b>
<b>Total supplies and services</b>	<b>3 996</b>	<b>1 052</b>

**Operating leases**

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets.

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**Consultants**

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	No	2018 \$'000	No	2017 \$'000
Below \$10,000	1	1	-	-
Above \$10,000	3	193	-	-
Total paid /payable to the consultants engaged	4	194	-	-

**Note 6 Non SA Government grants & sponsorships**

	2018 \$'000	2017 \$'000
Non SA Government grants & sponsorships - Cash	498	96
Sponsorship - In - Kind	1 117	-
<b>Total sponsorship</b>	<b>1 615</b>	<b>96</b>

All in-kind sponsorship as above is included in expenses reflecting the goods/services provided.

**Note 7 South Australian Government grants**

	2018 \$'000	2017 \$'000
Adelaide Film Festival and Adelaide Film Festival Investment Fund	2 215	1 080
Hybrid World Adelaide	1 450	581
Other South Australian Government grants	59	-
<b>Total South Australian Government grants</b>	<b>3 724</b>	<b>1 661</b>

**Note 8 Cash and cash equivalents**

	2018 \$'000	2017 \$'000
Cash at bank	613	315
Term deposits	1 540	1 074
<b>Total cash and cash equivalents</b>	<b>2 153</b>	<b>1 389</b>

Cash is measured in nominal amounts.

**Note 9 Receivables**

	2018 \$'000	2017 \$'000
Debtors	69	32
Accrued interest	9	2
Other receivables	2	2
<b>Total current receivables</b>	<b>80</b>	<b>36</b>
<b>Total receivables</b>	<b>80</b>	<b>36</b>

No receivables are impaired as at 30 June 2018

**Interest rate and credit risk**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Debtors and other receivables are non-interest bearing.

The carrying amount of receivables approximates net fair value due to being receivable on demand.

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**Note 10 Property, plant and equipment**

	2018	2017
	\$'000	\$'000
<b>Office furniture and equipment</b>		
Office furniture and equipment at cost (deemed fair value)	61	45
Accumulated depreciation	44	39
<b>Total office furniture and equipment</b>	<b>17</b>	<b>6</b>
<b>Leasehold improvements</b>		
Leasehold improvements at cost (deemed fair value)	5	5
Accumulated depreciation	5	5
<b>Total leasehold improvements</b>	<b>-</b>	<b>-</b>
<b>Intangible assets</b>		
Software at cost (deemed fair value)	24	24
Accumulated amortisation	24	24
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>17</b>	<b>6</b>

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

**Reconciliation of property, plant and equipment**

The following table shows the movement of property, plant and equipment during the reporting period:

2017-18	Office furniture and equipment \$'000	Leasehold improvements \$'000	Total \$'000
Carrying amount at the beginning of the period	6	-	6
Additions	16	-	16
Depreciation and amortisation	(5)	-	(5)
<b>Carrying amount at the end of the period</b>	<b>17</b>	<b>-</b>	<b>17</b>

**Useful life**

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of Asset	Useful Life (Years)
Office furniture & IT Equipment	3-4
Leasehold improvements	6
Intangibles	6 or life of lease

The useful lives of intangible assets are assessed to be either finite or indefinite. The Department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

**Change in depreciation due to revaluation**

No assets are subject to revaluation, all asset values have been recorded at cost.

**Revision of accounting estimates**

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. No changes were made during the 2017-2018 financial year.

Adelaide Film Festival  
2017-2018  
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**Note 11 Payables**

	2018	2017
	\$'000	\$'000
<b>Payables to non SA Government entities</b>		
Funds held on behalf of other entities	205	61
Funds held in trust	62	74
Creditors	137	31
<b>Total payables to non SA Government entities</b>	<b>404</b>	<b>166</b>
<b>Payables to SA Government entities</b>		
Accrued expenses	22	21
<b>Total payables to SA Government entities</b>	<b>22</b>	<b>21</b>
<b>Total payables</b>	<b>426</b>	<b>187</b>

**Interest rate and credit risk**

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

**Funds held on behalf of other entities**

Funds held on behalf of other entities relate to the Hive Production Fund (HPF). The HPF was established in 2011 to commission one-off films to premiere at the Adelaide Film Festival and for prime time broadcast on ABC TV. HPF funding is provided by the AFF and three other entities pursuant to a HPF Heads of Agreement for each festival. AFF administers the HPF on behalf of the funding partners Screen Australia and Australia Council, but not ABC, as their contribution is a licence.

The following table details the movement in Funds Held on Behalf of Other Entities for the HPF.

	2018	2017
	\$'000	\$'000
<b>Balance as at 1 July</b>	<b>61</b>	<b>300</b>
<b>Income</b>		
Hive Fund % returns	12	-
Grants from HPF funding partners	278	-
<b>Total income</b>	<b>290</b>	<b>-</b>
<b>Expenses</b>		
Investment in films	146	239
<b>Total expenses</b>	<b>146</b>	<b>239</b>
<b>Balance as at 30 June</b>	<b>205</b>	<b>61</b>

**Note 12 Employee benefits liability**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Annual leave	51	17
Long service leave	-	5
Accrued wages	33	19
<b>Total current employee benefits</b>	<b>84</b>	<b>41</b>
<b>Non-current</b>		
Long service leave	22	15
<b>Total Non-current employee benefits</b>	<b>22</b>	<b>15</b>

Employment benefits include payroll tax, ReturnToWorkSA levies and superannuation contributions. AFF makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes.

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**Note 13 Adelaide Film Festival Investment Fund**

The Government of South Australia in association with the South Australian Film Corporation, has established the Adelaide Film Festival Investment Fund (AFFIF) for equity investment in Australian Films.

The closing balance of the AFFIF is included in Total Cash and Cash Equivalents at 30 June.

A number of restrictions apply to the use of the AFFIF balance.  
The following table demonstrates the movements in the AFFIF:

	2018	2017
	\$'000	\$'000
<b>Balance as at 1 July</b>	<b>561</b>	<b>674</b>
<b>Income</b>		
Grant from SA Government	1 007	500
Investment returns - on films	7	33
Sponsorship	19	-
Interest	27	23
<b>Total Income</b>	<b>1 060</b>	<b>556</b>
<b>Expenses</b>		
Administration and programming expenses	104	57
Investment in films	613	562
Employee benefits	50	50
<b>Total Expenses</b>	<b>767</b>	<b>669</b>
<b>Balance as at 30 June</b>	<b>854</b>	<b>561</b>

**Note 14 Hybrid World Adelaide**

Hybrid World Adelaide is a tech and digital event for South Australia run on an annual basis

	2018	2017
	\$'000	\$'000
<b>Income</b>		
Grant from SA Government	1 490	580
Other Income	203	2
<b>Total</b>	<b>1 693</b>	<b>582</b>
<b>Expenses</b>		
Administration and programming expenses	761	79
Marketing	394	15
Production	110	11
Employee benefits	58	106
<b>Total Expenses</b>	<b>1 323</b>	<b>211</b>
<b>Net result</b>	<b>370</b>	<b>371</b>

Adelaide Film Festival  
2017-2018  
Revised 15/8/2018

**Note 15 Unrecognised contractual commitments**

**(a) Other commitments**

Commitments contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2018 \$'000	2017 \$'000
Within one year	11	13
Later than one year but not longer than five years	2	13
<b>Total other commitments</b>	<b>13</b>	<b>26</b>

Amounts disclosed include commitments for office accommodation leased from the South Australian Film Corporation. The lease is non-cancellable and expires on 19 August 2019. Rent is payable in advance and is subject to a 4 percent rent review on 20 August.

**(b) AFFIF commitments**

Commitments arising from AFFIF contractual agreements are payable as follows:

	2018 \$'000	2017 \$'000
Within one year	336	419
Later than one year but not longer than five years	653	-
<b>Total AFFIF commitments</b>	<b>989</b>	<b>419</b>

AFFIF commitments primarily relate to contracts for investment in future productions that are not yet payable

**Note 16 Contingent assets and liabilities**

The AFF is not aware of any contingent assets or liabilities.

**Note 17 Financial instruments/financial risk management**

*Categorisation of financial instruments*

Category	Statement of Financial	Note	Carrying	Carrying
			amount/Fair Value	amount/Fair Value
			2018	2017
			\$'000	\$'000
<b>Financial Assets</b>				
Cash and cash equivalents	Cash and cash equivalents	8	2 153	1 389
Loans and receivables	Receivables	9	80	36
<b>Financial Liabilities</b>				
Financial liabilities at cost	Payables	11	426	166

**Note 18 Impact of standards and statements not yet implemented**

AFF did not voluntarily change any of its accounting policies during 2017-2018

AASB 16 *Leases* will apply for the first time for the year to reporting periods beginning on or after 1 January 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, they will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

AFF has not yet quantified the impact of applying AASB 16 *Leases* to its operating lease arrangements and the resulting impact on the Statements of Comprehensive Income, the Statement of Financial Position and the Commitments disclosure in the Notes to the Financial Statements.

AASB 15 *Revenue from contracts with Customers* will replace the existing AASB 118 *Revenue* and applies to reporting periods beginning on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'. AASB 15 *Revenue from Contracts with Customers* will generally result in increased disclosures.

AASB 1058 *Income of Not-for-Profit Entities* will replace a number of income recognition requirements under AASB 1004 *Contributions* and applies to reporting periods beginning on or after 1 January 2019. The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.

AFF has not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not-for-Profit Entities* and the resulting impact on the statement of Comprehensive Income.