

# Adelaide Venue Management Corporation

Financial report  
for the year ended  
30 June 2018



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## To the Chairman of the Board Adelaide Venue Management Corporation

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and schedule 13(3) of the *Public Corporations Act 1993*, I have audited the financial report of the Adelaide Venue Management Corporation 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 Venue Management Corporation as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated 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 Chairman, the Chief Executive Officer and the Chief Financial Officer.

### 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 Venue Management Corporation. 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 Conduct 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 and the members of the Board for the financial report**

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and 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 that is free from material misstatement, whether due to fraud or error.

The members of the Board are responsible for overseeing the entity's financial reporting process.

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

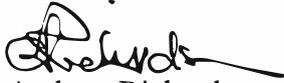
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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 members of the Board
- 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 regarding, 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.



Andrew Richardson

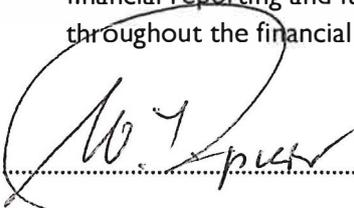
**Auditor-General**

31 August 2018

Certification of the Financial Statements

We certify that the:

- financial statements of the Adelaide Venue Management Corporation:
  - are in accordance with the accounts and records of the Corporation; and
  - comply with relevant Treasurer's instructions; and
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Adelaide Venue Management Corporation at the end of the financial year and the result of its operations and cash flows for the financial year.
  
- internal controls employed by the Adelaide Venue Management Corporation over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



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**William Spurr AO**

CHAIRMAN

Adelaide Venue Management Corporation

Date: 27 AUGUST 2015.....



.....

**Anthony Kirchner**

CHIEF EXECUTIVE OFFICER

Adelaide Venue Management Corporation

Date: 27 AUGUST 2018.....



.....

**Marie Hannaford**

CHIEF FINANCIAL OFFICER

Adelaide Venue Management Corporation

Date: 27 AUGUST 2018.....

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
<b>Expenses from Trading Activities</b>			
Employee benefits expenses	3	29 284	24 519
Supplies and services	5	15 976	12 771
Depreciation and amortisation expense	6	4 139	3 210
Net loss from the disposal of non-current assets	7	195	25
<b>Total expenses from Trading Activities</b>		<b>49 594</b>	<b>40 525</b>
<b>Income from Trading Activities</b>			
Facility charges revenues	9	58 347	47 371
Interest revenues		580	545
Other revenues	10	2 032	1 833
<b>Total income from Trading Activities</b>		<b>60 959</b>	<b>49 749</b>
<b>Profit from Trading Activities</b>		<b>11 365</b>	<b>9 224</b>
<b>Expenses from Property Management Activities</b>			
Employee benefits expenses	3	3 142	2 538
Supplies and services	5	9 422	7 368
Depreciation and amortisation expense	6	13 819	10 968
Borrowing costs	8	19 135	17 733
<b>Total expenses from Property Management Activities</b>		<b>45 518</b>	<b>38 607</b>
<b>Income from Property Management Activities</b>			
Interest revenues		183	341
Revenues from SA Government	11	24 174	22 649
Other revenues	10	653	682
<b>Total income from Property Management Activities</b>		<b>25 010</b>	<b>23 672</b>
<b>Loss from Property Management Activities</b>		<b>(20 508)</b>	<b>(14 935)</b>
<b>Net Profit / (Loss)</b>		<b>(9 143)</b>	<b>(5 711)</b>
<b>Other Comprehensive Income</b>			
Change in Asset Revaluation Surplus		9 614	-
<b>Total Other Comprehensive Income</b>		<b>9 614</b>	<b>-</b>
<b>Total Comprehensive Result</b>		<b>471</b>	<b>(5 711)</b>

The net profit / (loss) and comprehensive result are attributable to the SA Government as owner.

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

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	12, 30	31 540	38 345
Receivables	13	6 169	5 830
Inventories	14	500	407
<b>Total current assets</b>		<b>38 209</b>	<b>44 582</b>
<b>Non-current assets</b>			
Specific purpose deposits	15, 30	11 648	15 815
Property, plant and equipment	17	640 908	633 415
<b>Total non-current assets</b>		<b>652 556</b>	<b>649 230</b>
<b>Total assets</b>		<b>690 765</b>	<b>693 812</b>
<b>Current liabilities</b>			
Payables	19	6 296	9 834
Employee benefits	20	3 925	3 558
Other current liabilities	23	10 606	9 385
<b>Total current liabilities</b>		<b>20 827</b>	<b>22 777</b>
<b>Non-current liabilities</b>			
Payables	19	99	91
Employee benefits	20	1 090	1 008
Other non-current liabilities	23	4 957	5 015
Borrowings	24	382 321	382 321
<b>Total non-current liabilities</b>		<b>388 467</b>	<b>388 435</b>
<b>Total liabilities</b>		<b>409 294</b>	<b>411 212</b>
<b>Net assets</b>		<b>281 471</b>	<b>282 600</b>
<b>Equity</b>			
Contributed capital	25	133 840	133 840
Revaluation surplus	25	63 481	53 867
Accumulated surplus	25	84 150	94 893
<b>Total equity</b>		<b>281 471</b>	<b>282 600</b>

The total equity is attributable to the SA Government as owner.

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

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2018

	Note	Contributed Capital	Revaluation Surplus	Accumulated Surplus	Total
	No.	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2016</b>		<b>133 840</b>	<b>53 867</b>	<b>102 204</b>	<b>289 911</b>
Net profit / (loss) for 2016-17		-	-	(5 711)	<b>(5 711)</b>
Total Comprehensive Result for 2016-17		-	-	(5 711)	<b>(5 711)</b>
<b>Transactions with SA Government as owner</b>					
Dividends paid		-	-	(1 600)	<b>(1 600)</b>
<b>Balance at 30 June 2017</b>		<b>133 840</b>	<b>53 867</b>	<b>94 893</b>	<b>282 600</b>
Net profit / (loss) for 2017-18		-	-	(9 143)	<b>(9 143)</b>
Gain / (loss) on revaluation of land and buildings during 2017-18		-	9 614	-	<b>9 614</b>
Total Comprehensive Result for 2017-18		-	9 614	(9 143)	<b>471</b>
<b>Transactions with SA Government as owner</b>					
Dividends paid	22	-	-	(1 600)	<b>(1 600)</b>
<b>Balance at 30 June 2018</b>	25	<b>133 840</b>	<b>63 481</b>	<b>84 150</b>	<b>281 471</b>

All changes in equity are attributable to the SA Government as owner.

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

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefit payments		31 913	26 893
Supplies and services		28 826	30 018
GST remitted to the ATO		1 678	-
<b>Cash used in operations</b>		<b>62 417</b>	<b>56 911</b>
<b>Cash inflows</b>			
Receipts from the sale of goods and services		67 399	57 127
Interest received		779	896
GST recovered from the ATO		-	3 779
<b>Cash generated from operations</b>		<b>68 178</b>	<b>61 802</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		24 133	22 277
<b>Cash generated from SA Government</b>		<b>24 133</b>	<b>22 277</b>
<b>Net cash provided by operating activities</b>	30	<b>29 894</b>	<b>27 168</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		20 209	71 107
<b>Cash used in investing activities</b>		<b>20 209</b>	<b>71 107</b>
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		37	55
<b>Cash generated from investing activities</b>		<b>37</b>	<b>55</b>
<b>Net cash (used in) / provided by investing activities</b>		<b>(20 172)</b>	<b>(71 052)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Dividends paid to SA Government		1 600	1 600
Income Tax Equivalent paid to SA Government		-	-
Borrowing Costs		19 094	17 362
<b>Cash used in financing activities</b>		<b>20 694</b>	<b>18 962</b>
<b>Cash inflows</b>			
Borrowings		-	67 746
<b>Cash generated from financing activities</b>		<b>-</b>	<b>67 746</b>
<b>Net cash (used in) / provided by financing activities</b>		<b>(20 694)</b>	<b>48 784</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(10 972)</b>	<b>4 900</b>
Cash and cash equivalents at the beginning of the financial year		54 160	49 260
<b>Cash and cash equivalents at the end of the financial year</b>	30	<b>43 188</b>	<b>54 160</b>

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

## **Note 1 Basis of Financial Statements**

### **1.1 Reporting Entity**

The financial statements and accompanying notes include all the controlled activities of the Adelaide Venue Management Corporation, (the Corporation), as an individual reporting entity. The Corporation is a statutory authority of the State of South Australia, established pursuant to the *Public Corporations Act 1993*.

The Corporation does not control any other entity and has no interests in unconsolidated structured entities.

### **1.2 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 and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Corporation has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Corporation 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 the Corporation for the period ending 30 June 2018.

### **1.3 Basis of Preparation**

The Corporation's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

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

Assets and liabilities that are 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.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Corporation has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

Significant accounting policies are set out in the notes.

### **1.4 Taxation**

In accordance with the *Public Corporations Act 1993* and Treasurer's Instructions, the Corporation is required to pay to the SA Government an income tax equivalent. The Treasurer has provided the Corporation with an exemption in relation to this income tax equivalent payment in addition to land tax and local government rate equivalents for the Adelaide Entertainment Centre and Coopers Stadium sites. The Corporation is required to pay to the SA Government an income tax equivalent for the Adelaide Convention Centre site. The income tax liability is based on the Treasurer's accounting profit method, which requires that the corporate income tax rate be applied to the net profit. The Treasurer has exempted capital funding from the calculation of the income tax equivalents. The Adelaide Convention Centre site is also liable for land tax and local government rates.

The Corporation is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and emergency services levy.

## Adelaide Venue Management Corporation

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 item applicable; and
- 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 gross 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**

The Corporation was established on 4 February 1999 as a subsidiary of the Minister for Tourism by Regulations under the *Public Corporations Act 1993*.

The Corporation is governed by a Board of Directors and operates under a charter approved pursuant to the provisions of the *Public Corporations Act 1993*. The Act and the charter require the preparation of general purpose financial statements which reflect the performance and position of the Corporation for each financial year ended 30 June.

#### **2.1 Objectives**

The objectives of the Corporation are to:

- 1 manage and operate the Corporation's sites/venues;
- 2 manage, promote and sponsor events at the Corporation's sites/venues or elsewhere;
- 3 foster and assist the commercial development of the Corporation's sites/venues in order to complement and enhance the commercial potential; and
- 4 carry out any other functions conferred on the Corporation by the Minister.

#### **2.2 Activities**

The principal activities of the Corporation are to manage and operate the Adelaide Convention Centre, Adelaide Entertainment Centre and Coopers Stadium.

**Note 3 Employee Benefits**

**3.1 Employee Benefits Expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Trading Activities</b>		
Salaries and wages	23 638	19 458
Long service leave	478	331
Annual leave	959	857
Skills and experience retention leave (SERL)	54	44
Employment on-costs - superannuation*	2 337	2 284
Employment on-costs - other	1 632	1 382
Board fees	186	163
<b>Total employee benefits expenses from Trading Activities</b>	<b>29 284</b>	<b>24 519</b>
<b>Property Management Activities</b>		
Salaries and wages	2 568	2 057
Long service leave	52	30
Annual leave	113	118
Skills and experience retention leave (SERL)	8	8
Employment on-costs - superannuation*	255	207
Employment on-costs - other	146	118
<b>Total employee benefits expenses from Property Management Activities</b>	<b>3 142</b>	<b>2 538</b>
<b>Total employee benefits expenses</b>	<b>32 426</b>	<b>27 057</b>

\*The superannuation employment on-cost charge represents the Corporation's contributions to superannuation plans in respect of current services of current employees.

### 3.2 Key Management Personnel

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

Total compensation for key management personnel was \$2 034 000 in 2017-18 and \$1 747 000 in 2016-17.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Tourism 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 of the *Parliamentary Remuneration Act 1990*.

	<b>2018</b>	<b>2017</b>
<b>Compensation</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short-term employee benefits	1 965	1 747
Termination benefits	69	-
<b>Total</b>	<b>2 034</b>	<b>1 747</b>

### 3.3 Remuneration of Employees

The number of employees whose remuneration received or receivable falls within the following bands:

	<b>2018</b>	<b>2017</b>
\$149 001 to \$159 000	2	3
\$159 001 to \$169 000	2	2
\$169 001 to \$179 000	-	1
\$179 001 to \$189 000	1	1
\$189 001 to \$199 000	1	-
\$209 001 to \$219 000	1	1
\$359 001 to \$369 000	-	1
\$369 001 to \$379 000	1	-
\$389 001 to \$399 000	-	1
\$399 001 to \$409 000	1	-
<b>Total number of employees</b>	<b>9</b>	<b>10</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$1 994 000 (\$2 121 000).

**Note 4 Remuneration of Board Members**

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

William Spurr (Chair)

Gay Wallace (Deputy Chair)

Geoffrey Pitt (concluded 31st July 2017)

Robert DeBelle

Pauline Denley

Fiona Hele

Jim Kouts

Leah Manuel \*

Catherine King (commenced 1st August 2017)

\*In accordance with the Premier and Cabinet Circular No. 016, government employees do not receive any remuneration for board/committee duties during the financial year.

The number of governing board members whose remuneration received or receivable falls within the following bands:

	<b>2018</b>	<b>2017</b>
\$0 to \$9 999	2	1
\$20 000 to \$29 999	6	6
\$30 000 to \$39 999	-	1
\$40 000 to \$49 999	1	-
<b>Total number of governing board members</b>	<b>9</b>	<b>8</b>

Remuneration of Board members reflects all costs of performing their duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$203 000 (\$178 000).

Unless otherwise disclosed, transactions between 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 arm's length in the same circumstances.

During the year there were no other payments made to Board members.

**Note 5 Supplies and Services**

	Note	2018 \$'000	2017 \$'000
<b>Trading Activities</b>			
Administration expenses and sundries	5.1, 5.2	3 486	2 416
Direct materials		9 936	8 344
Building services costs		50	52
Repairs and maintenance		153	154
Marketing and promotions		2 351	1 805
<b>Total supplies and services from Trading Activities</b>		<b>15 976</b>	<b>12 771</b>
<b>Property Management Activities</b>			
Administration expenses and sundries	5.2	75	85
Direct materials		35	54
Building services costs	5.3	6 979	5 131
Repairs and maintenance		2 333	2 098
<b>Total supplies and services from Property Management Activities</b>		<b>9 422</b>	<b>7 368</b>
<b>Total supplies and services</b>		<b>25 398</b>	<b>20 139</b>

The total supplies and services amount disclosed includes GST amounts not recoverable from the ATO due to the Corporation not holding a tax invoice or payments relating to third party arrangements.

**5.1 Audit Fees**

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$80 100 (\$78 200). No other services were provided by the Auditor-General's Department.

**5.2 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:	2018		2017	
	No	\$'000	No	\$'000
Below \$10 000	1	4	2	3
Above \$10 000	1	35	1	75
<b>Total paid/payable to the consultants engaged</b>	<b>2</b>	<b>39</b>	<b>3</b>	<b>78</b>

**5.3 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. These payments totalled \$589 900 (\$602 500).

**Note 6 Depreciation and Amortisation**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Trading Activities</b>		
Plant and equipment	4 139	3 210
<b>Total depreciation and amortisation for Trading Activities</b>	<b>4 139</b>	<b>3 210</b>
<b>Property Management Activities</b>		
Buildings	13 515	10 677
Leasehold improvements	304	291
<b>Total depreciation and amortisation for Property Management Activities</b>	<b>13 819</b>	<b>10 968</b>
<b>Total depreciation and amortisation</b>	<b>17 958</b>	<b>14 178</b>

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

The value of leasehold improvements is amortised over the useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land and non-current assets held for sale are not depreciated.

**6.1 Useful Life**

Depreciation/amortisation is calculated over the estimated useful life of the following classes of assets as follows:

<b>Class of Asset</b>	<b>Depreciation Method</b>	<b>Useful life (Years)</b>
Buildings & Improvements	Straight Line & Diminishing Value	2-147
Leasehold Improvements	Straight Line	3-15
Plant and Equipment	Straight Line	2-25

**6.2 Revision of Accounting Estimate**

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

**Note 7 Net loss from the disposal of non-current assets**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Plant and equipment		
Proceeds from disposal	37	55
Less net book value of assets disposed	(232)	( 80)
Net loss from the disposal of plant and equipment	(195)	( 25)
<b>Total net loss from the disposal of non-current assets</b>	<b>(195)</b>	<b>( 25)</b>

Losses on disposal are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

**Note 8 Borrowing Costs**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Guarantee fees on long term borrowings	6 103	5 594
Interest expense on long term borrowings	13 032	12 139
<b>Total borrowing costs</b>	<b>19 135</b>	<b>17 733</b>

**Borrowings**

The Corporation has an agreement with the South Australian Financing Authority (SAFA) to source debt funding for the extension and redevelopment of the Adelaide Convention Centre.

Treasury and Finance provide grant payments to the Corporation for interest and guarantee fees associated with the borrowings. Refer Note 11.

**Note 9 Facility Charges Revenues**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Car park	6 009	4 590
Catering	29 104	23 469
Corporate	2 224	2 273
Recoveries	5 408	4 629
Technical services	4 635	4 080
Venue hire	10 967	8 330
<b>Total facility charges revenues</b>	<b>58 347</b>	<b>47 371</b>

Revenues from facility charges are derived from the provision of goods and services to the public and other SA Government agencies. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

**Note 10 Other Revenues**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Trading Activities</b>			
Merchandise revenues		274	235
Ticketing charges		758	511
Other revenue		1 000	1 087
<b>Total other revenue from Trading Activities</b>		<b>2 032</b>	<b>1 833</b>
<b>Property Management Activities</b>			
Property lease revenue	(a)	455	447
Other revenue		198	235
<b>Total other revenues from Property Management Activities</b>		<b>653</b>	<b>682</b>
<b>Total other revenues</b>		<b>2 685</b>	<b>2 515</b>

(a) Rental income from the leasing of investment properties is recognised on a straight-line basis over the lease term.

**Note 11 Revenues from SA Government**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$'000</b>	<b>\$'000</b>
Funding	11.1	5 039	4 916
Grant Payments	11.2	19 135	17 733
<b>Total revenues from SA Government</b>		<b>24 174</b>	<b>22 649</b>

**11.1 Funding**

The South Australian Government (through the Minister for Tourism) provides funding to the Corporation for expenses relating to the Adelaide Convention Centre site maintenance of the Common Areas and the Riverbank Precinct, Exhibition Hall land rent, office accommodation rent and for replacement of Corporation assets.

The contribution from the SA Government is recognised as income when the Corporation obtains control over the funding or obtains the right to receive the contributions and the income recognition criteria are met.

The funding for asset replacement is transferred by the Department of Treasury and Finance into an interest bearing Special Deposit Account titled 'Adelaide Venue Management Future Asset Replacement Account'. With the approval of the Treasurer, these funds are available for the replacement and upgrade of assets and minor works.

**11.2 Grant Payments**

Treasury and Finance provide grant payments to the Corporation for interest and guarantee fees associated with borrowings sourced for the extension and redevelopment of the Adelaide Convention Centre. Refer Note 8.

**11.3 Equity contributed by the SA Government**

Contributions made by the SA Government through its role as owner of the Corporation, which increase the net assets of the entity, are treated as contributions of equity.

**Note 12 Cash and Cash Equivalents**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and Cash on hand	31 540	38 345
<b>Total cash and cash equivalents</b>	<b>31 540</b>	<b>38 345</b>

**Cash deposits**

Cash is measured at nominal amounts. Cash at Bank is comprised of funds held in an operating account at a commercial banking institution. Cash at bank deposits are on-call and carry an average variable interest rate of 1.35% (1.41%). Interest is accrued daily and distributed monthly and quarterly.

**Note 13 Receivables**

	Note	2018 \$'000	2017 \$'000
<b>Current</b>			
Receivables		3 167	2 221
Less allowance for doubtful debts	13.1	( 12)	( 5)
Accrued revenues		2 258	2 204
GST input tax recoverable		78	1 085
Prepayments		678	325
<b>Total current receivables</b>		<b>6 169</b>	<b>5 830</b>

**13.1 Movements in the allowance for doubtful debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated in past experience and current and expected changes in client credit rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in 'Supplies and services expense' for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2018 \$'000	2017 \$'000
<b>Carrying amount at the beginning of the period</b>	( 5)	( 5)
Increase in the allowance	( 7)	-
Amounts written off	-	-
<b>Carrying amount at the end of the period</b>	<b>( 12)</b>	<b>( 5)</b>

**13.2 Interest rate and credit risk**

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Corporation will not be able to collect the debt. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. In addition, there is no concentration of credit risk.

Refer Note 31 for further information on risk management.

**Note 14 Inventories**

	2018 \$'000	2017 \$'000
<b>Current - Inventories held for resale</b>		
Beverages	331	258
Food	169	149
<b>Total inventories held for resale</b>	<b>500</b>	<b>407</b>

Inventories include goods and other property held for sale in the ordinary course of business. It excludes depreciating assets.

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Inventories are measured at the lower of cost or their net realisable value. Cost is allocated in accordance with the average cost and standard cost methods. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

### 14.1 Inventory wastage

The Corporation has recognised an inventory wastage expense of \$36 000 (\$30 000) in the Statement of Comprehensive Income.

### 14.2 Cost of Inventories

The Corporation recognised an expense for raw materials and consumables of \$7 412 000 (\$6 182 000).

## Note 15 Specific Purpose Deposits

	2018	2017
	\$'000	\$'000
<b>Specific purpose deposits with SA Government entities</b>		
Investments with SA Financing Authority	2 797	2 745
Future assets replacement deposit account	8 851	13 070
<b>Total specific purpose deposits</b>	<b>11 648</b>	<b>15 815</b>

### Deposits with SA Government entities

The specific purpose deposits are carried at cost in accordance with APF IV Financial Asset and Liability Framework paragraph APS 2.1. Specific purpose deposits are lodged with SAFA and include funds held in a Cash Management Facility and Deposit Account. The balance of these funds are not available for general use. The SAFA Cash Management Fund is a pooled investment portfolio comprising cash and short term money market securities of high credit quality and marketability. The SAFA Cash Management Funds carry an average variable interest rate of 1.9% (1.9%). Interest is accrued daily and distributed monthly. The Future Assets Replacement Deposit Account is a pooled investment portfolio comprising cash and short term money market securities of high credit quality and marketability. The Future Asset Replacement Account funds carry an average variable interest rate of 1.35% (1.38%). Interest is accrued daily and distributed quarterly.

### Interest rate risk

Deposits with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

## Note 16 Non-Current Assets

### 16.1 Revaluation

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Every six years the Corporation revalues its land, buildings and building improvements, with the valuation appraisal performed by an independent Certified Practising Valuer. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to accumulated surplus.

**Note 17 Property, plant and equipment**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land and buildings</b>		
Land at fair value	32 630	27 055
Buildings at fair value	584 803	230 052
Accumulated depreciation	-	(34 547)
<b>Total land and buildings</b>	<b>617 433</b>	<b>222 560</b>
<b>Buildings and improvements</b>		
Buildings and improvements at cost	-	219 265
Accumulated depreciation	-	(7 143)
<b>Total buildings and improvements</b>	<b>-</b>	<b>212 122</b>
<b>Leasehold improvements</b>		
Leasehold improvements at cost	3 721	3 859
Accumulated amortisation	(1 010)	( 876)
<b>Total leasehold improvements</b>	<b>2 711</b>	<b>2 983</b>
<b>Work in progress</b>	<b>40</b>	<b>180 101</b>
<b>Total work in progress</b>	<b>40</b>	<b>180 101</b>
<b>Plant and equipment</b>		
Plant and equipment at cost	47 878	40 963
Accumulated depreciation	(27 154)	(25 314)
<b>Total plant and equipment</b>	<b>20 724</b>	<b>15 649</b>
<b>Total property, plant and equipment</b>	<b>640 908</b>	<b>633 415</b>

**17.1 Acquisition and recognition**

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at the value recorded by the transferor prior to transfer.

The Corporation capitalises all non-current tangible assets with a value equal or greater than \$3 000.

The Corporation capitalises costs associated with projects to work in progress. On completion of a project the capitalised costs are transferred to the relevant non-current asset account. The balance of work in progress reflects costs for projects which are at various stages of completion as at 30 June 2018.

**17.2 Valuation of land and buildings**

An independent valuation of land and buildings was performed in June 2018 by a Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd, as at 30 June 2018.

The valuer used depreciated replacement cost for specialised buildings, due to there not being an active market for such buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of specialised knowledge and the acquisition/transfer costs.

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The valuer arrived at fair value for land and non-specialised buildings using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and building being valued such as size and location.

### 17.3 Carrying amount of plant and equipment

All items of plant and equipment had a 'fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years', and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

### 17.4 Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2018.

### 17.5 Reconciliation of Non-Current Assets during 2017-18

	Land	Buildings	Buildings and improvements	Leasehold improvements	Work in Progress	Plant & equipment	Non-current assets total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at beginning of period</b>	<b>27 055</b>	<b>195 505</b>	<b>212 122</b>	<b>2 983</b>	<b>180 101</b>	<b>15 649</b>	<b>633 415</b>
Additions	-	-	-	-	16 069	-	16 069
Transfers in / (out)	-	392 044	(205 392)	32	(196 130)	9 446	-
Disposals e.g. sales, write off	-	-	-	-	-	(232)	(232)
Revaluation increment / (decrement)	5 575	4 039	-	-	-	-	9 614
Depreciation and amortisation	-	(6 785)	(6 730)	(304)	-	(4 139)	(17 958)
<b>Carrying amount at end of period</b>	<b>32 630</b>	<b>584 803</b>	<b>-</b>	<b>2 711</b>	<b>40</b>	<b>20 724</b>	<b>640 908</b>

### 17.6 Reconciliation of Non-Current Assets during 2016-17

	Land	Buildings	Buildings and improvements	Leasehold improvements	Work in Progress	Plant & equipment	Non-current assets total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at beginning of period</b>	<b>27 055</b>	<b>202 305</b>	<b>215 896</b>	<b>3 188</b>	<b>119 310</b>	<b>16 054</b>	<b>583 808</b>
Additions	-	-	-	-	63 865	-	63 865
Transfers in / (out)	-	-	102	87	(3 074)	2 885	-
Disposals e.g. sales, write off	-	-	-	-	-	(80)	(80)
Depreciation and amortisation	-	(6 800)	(3 876)	(292)	-	(3 210)	(14 178)
<b>Carrying amount at end of period</b>	<b>27 055</b>	<b>195 505</b>	<b>212 122</b>	<b>2 983</b>	<b>180 101</b>	<b>15 649</b>	<b>633 415</b>

**Note 18 Fair Value Measurement**

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Corporation classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- a) Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- b) Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- c) Level 3 – not traded in an active market and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed by the Chief Financial Officer and the Corporation’s Board at each reporting date.

In determining fair value, the Corporation has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset’s highest and best use (that is physically possible, legally permissible, financially feasible).

The Corporation’s current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Corporation did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-current assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Note 17 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-current assets.

**18.1 Fair Value Hierarchy**

The fair value of non-current assets must be estimated for recognition and measurement or for disclosure purposes. The Corporation categorises non-current assets measured at fair value into hierarchy based on the level of inputs used in measurement as follows:

**18.2 Fair value measurements at 30 June 2018**

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Land	17	32 630	-	32 630
Buildings	17	890	583 913	584 803
Buildings and improvements	17	-	-	-
Leasehold improvements	17	-	2 711	2 711
Work in progress	17	-	40	40
Plant and equipment	17	-	20 724	20 724
<b>Total recurring fair value measurements</b>		<b>33 520</b>	<b>607 388</b>	<b>640 908</b>

**18.3 Fair value measurements at 30 June 2017**

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Land	17	27 055	-	27 055
Buildings	17	847	194 658	195 505
Buildings and improvements	17	-	212 122	212 122
Leasehold improvements	17	-	2 983	2 983
Work in progress	17	-	180 101	180 101
Plant and equipment	17	-	15 649	15 649
<b>Total recurring fair value measurements</b>		<b>27 902</b>	<b>605 513</b>	<b>633 415</b>

The Corporation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive level 2 and 3 fair values are at Note 17.

During 2018 and 2017, the Corporation had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

**18.4 Reconciliation of Level 3 recurring fair value measurements at 30 June 2018**

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

	Buildings \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in progress \$'000	Plant and equipment \$'000
<b>Opening balance at the beginning of the period</b>	<b>194 658</b>	<b>212 122</b>	<b>2 983</b>	<b>180 101</b>	<b>15 649</b>
Acquisitions	-	-	-	16 035	-
Transfers in / (out)	392 010	(205 392)	32	(196 096)	9 446
Total gains / (losses) for the period in profit and loss:					
Depreciation	(6 745)	(6 730)	(304)	-	(4 139)
Disposals	-	-	-	-	(232)
Total gains / (losses) for the period recognised in other comprehensive income:					
Revaluation increment / (decrement)	3 990	-	-	-	-
<b>Closing balance at the end of the period</b>	<b>583 913</b>	<b>-</b>	<b>2 711</b>	<b>40</b>	<b>20 724</b>

**18.5 Reconciliation of Level 3 recurring fair value measurements at 30 June 2017**

	Buildings	Buildings and improvements	Leasehold improvements	Work in progress	Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	<b>201 419</b>	<b>215 896</b>	<b>3 188</b>	<b>119 310</b>	<b>16 054</b>
Acquisitions	-	-	-	63 865	-
Transfers in / (out)	-	102	87	(3 074)	2 885
Total gains / (losses) for the period in profit and loss:					
Depreciation	(6 761)	(3 876)	( 292)	-	(3 210)
Disposals	-	-	-	-	( 80)
<b>Closing balance at the end of the period</b>	<b>194 658</b>	<b>212 122</b>	<b>2 983</b>	<b>180 101</b>	<b>15 649</b>

**Note 19 Payables**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Creditors	3 092	6 933
Accrued expenses	1 312	1 090
Employment on-costs <sup>^</sup>	459	406
Interest accrued	1 433	1 405
<b>Total current payables</b>	<b>6 296</b>	<b>9 834</b>
<b>Non-current</b>		
Employment on-costs <sup>^</sup>	99	91
<b>Total non-current payables</b>	<b>99</b>	<b>91</b>
<b>Total payables</b>	<b>6 395</b>	<b>9 925</b>

<sup>^</sup>Employment on-costs include payroll tax, Return to Work SA levy and superannuation contributions. The Corporation 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. The only liability outstanding at balance date relates to any contributions due but not yet paid.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2017 rate (40%) to 41%. This rate is used in the employment on-cost calculation. The net financial effect of the change in the current financial year is an increase in the employment on-cost and employee benefits expense of \$3 000. The estimated impact on future periods is immaterial.

**19.1 Interest rate and credit risk**

Payables are measured at nominal amounts and are normally settled within 30 days from the date the invoice is first received. Creditors and accruals are raised for all amounts owing but unpaid. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

**Note 20 Employee Benefits - Liability**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Annual leave	1 210	1 020
Long service leave	2 118	2 188
Skills and experience retention leave	58	50
Accrued salaries and wages	539	300
<b>Total current employee benefits</b>	<b>3 925</b>	<b>3 558</b>
<b>Non-current</b>		
Long service leave	1 090	1 008
<b>Total non-current employee benefits</b>	<b>1 090</b>	<b>1 008</b>
<b>Total employee benefits</b>	<b>5 015</b>	<b>4 566</b>

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**20.1 Salaries and wages, annual leave, time off in lieu, SERL and sick leave**

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability (including time off in lieu) and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

**20.2 Long Service Leave**

The liability for long service leave is 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.

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on submitted data from the payroll system and assessed against actuarial data. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds remains unchanged for 2018 from the 2017 rate (2.5%).

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$117 000 and employee benefits expense of \$128 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

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The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 7 years of service for staff employed under the Adelaide Venue Management Corporation/United Voice Enterprise Agreement and 10 years of service for all other staff.

### Note 21 Workers Compensation

The Corporation is deemed to be an exempt employer by virtue of the *Return To Work Act 2014* and as such is liable for all medical, income and other day to day type expenses associated with a claim. The Corporation is also liable for any lump sum, redemption or permanent disability type payments for claims. Given the immaterial nature of the claims existing as at 30 June 2018, no provision has been recognised in the Statement of Financial Position.

### Note 22 Dividends

A current period dividend of \$1 600 000 was paid to SA Government during the financial year as determined by the Treasurer, pursuant to Section 22(2) of the *Public Corporations (Adelaide Venue Management Corporation) Regulations 2013*.

### Note 23 Other Liabilities

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Income received in advance	10 548	9 327
Unearned lease revenue	58	58
<b>Total current other liabilities</b>	<b>10 606</b>	<b>9 385</b>
<b>Non-current</b>		
Unearned lease revenue	4 957	5 015
<b>Total non-current other liabilities</b>	<b>4 957</b>	<b>5 015</b>
<b>Total other liabilities</b>	<b>15 563</b>	<b>14 400</b>

Income received in advance includes amounts invoiced in relation to events and car parking which relate to future periods, amounts invoiced under Corporate Suite Licensing and Advertising Agreements and security deposits.

Event and car parking related monies are recognised as income as the provision of services are supplied.

Corporate Suite Licencing and Advertising Agreements payments received are recognised as income over the term of the agreement as the provision of services are supplied.

Unearned lease revenue represents payment received for a section of land leased on a 99 year lease agreement during 2007. The payments received for the lease are being recognised as income over the life of the lease.

**Note 24 Borrowings**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current</b>		
Borrowings from SA Government	382 321	382 321
<b>Total borrowings</b>	<b>382 321</b>	<b>382 321</b>

The Corporation has a Client Services Agreement with the South Australian Financing Authority for the Adelaide Convention Centre extension and redevelopment project. Under the arrangement, the Corporation has fully drawn down the approved borrowings limit of \$382.321 million from SA Government.

The total project budget, managed by the Department of Planning, Transport and Infrastructure, is \$396.821 million, and the difference in borrowings to the approved project budget (\$14.5 million) is being funded from the Corporation's Future Asset Replacement Account.

The fair value of total borrowings at 30 June 2018 is not materially different from the carrying value. While movements in interest rates will affect the fair value of the loan, the contracted repayments remain the same due to the fixed interest rate. The Corporation has minimal exposure to liquidity risk in relation to interest repayments as the Department of Treasury and Finance provides funding to the Corporation for interest and fees.

**Note 25 Equity**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Contributed capital	133 840	133 840
Revaluation surplus	63 481	53 867
Accumulated surplus	84 150	94 893
<b>Total equity</b>	<b>281 471</b>	<b>282 600</b>

The revaluation surplus is used to record increments and decrements in the fair value of land and buildings to the extent that they offset one another. Relevant amounts are transferred to accumulated surplus when an asset is disposed or written off.

**Note 26 Commitments**

Unrecognised commitments are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments are disclosed on a gross basis.

**26.1 Capital Commitments**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:		
Within one year	497	2 140
<b>Total capital commitments</b>	<b>497</b>	<b>2 140</b>

**26.2 Expenditure Commitments**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
The Corporation's expenditure commitments are associated with ongoing business operations.		
Within one year	418	321
Later than one year but not longer than five years	349	58
Later than five years	8	34
<b>Total expenditure commitments</b>	<b>775</b>	<b>413</b>

**26.3 Operating lease commitments payable**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Future minimum lease payments payable under non-cancellable operating leases contracted for at reporting date but not recognised as liabilities are:		
Within one year	433	579
Later than one year but not longer than five years	1 730	1 691
Later than five years	25 975	25 814
<b>Total operating lease expenditure commitments</b>	<b>28 138</b>	<b>28 084</b>

The Corporation has entered into operating leases for the land on which the Adelaide Convention Centre buildings are situated and for office accommodation. The leases are reviewed each year for adjustments in the consumer price index.

**26.4 Operating lease commitments receivable**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Future minimum lease payments receivable under non-cancellable operating leases contracted for at reporting date but not recognised as receivables are:		
Within one year	351	326
Later than one year but not longer than five years	759	244
<b>Total operating lease revenue commitments</b>	<b>1 110</b>	<b>570</b>

The Corporation's operating lease commitments as lessor are for the lease of shops, offices and site space located on sites owned or leased by the Corporation. The Corporation also leases a section of land. As rental in relation to the lease of this land was received in advance, there are no minimum lease payments receivable in relation to this lease.

**Note 27 Administered Items**

The Corporation includes a schedule of administered items as a note to the accounts as it is considered that administered transactions and balances are insignificant in relation to the Corporation's overall financial performance and position, in accordance with Accounting Policy Framework II General Purpose Financial Statements Framework paragraph APS 3.13.2.

	2018	2017
	\$'000	\$'000
<b>Event Funds</b>		
<b>Administered Revenues</b>		
Net Box Office Receipts	34 719	21 103
Interest Earned on event funds	254	108
<b>Total Administered Revenues</b>	<b>34 973</b>	<b>21 211</b>
<b>Administered Expenses</b>		
Settlements Paid	27 256	18 985
<b>Total Administered Expenses</b>	<b>27 256</b>	<b>18 985</b>
<b>Movement in Administered Items during the year</b>	<b>7 717</b>	<b>2 226</b>
<b>Administered Assets</b>		
Cash at Bank	15 048	7 343
Receivable - Interest	21	9
<b>Total Administered Assets</b>	<b>15 069</b>	<b>7 352</b>
<b>Administered Liabilities</b>		
Funds held in trust	15 048	7 343
Accrued Interest Payable	21	9
<b>Total Administered Liabilities</b>	<b>15 069</b>	<b>7 352</b>
<b>Movement in Administered Items during the year</b>	<b>7 717</b>	<b>2 226</b>
Total Administered Assets held at the beginning of the financial year	7 352	5 126
<b>Total Administered Assets held at the end of the financial year</b>	<b>15 069</b>	<b>7 352</b>

The Corporation receives gross box office receipts from its ticketing agency, and holds those receipts in a separate Event Funds bank account. In any instance where an event does not proceed, those monies are returned to the ticketing agency and refunded to patrons. Alternatively, the monies are paid to promoters, the Corporation and other service providers.

**Cash deposits**

The cash deposits are carried at cost in accordance with APF IV Financial Asset and Liability Framework paragraph APS 2.1. Cash at Bank is comprised of funds held in a bank account at a commercial banking institution. Funds are on-call and carry an average variable interest rate of 1.70% (1.72%). Interest is accrued daily and distributed monthly.

**Interest rate risk**

Deposits at call earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

**Note 28 Contingent Assets and Liabilities**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the contingencies are disclosed on a gross basis.

The Corporation is not aware of any contingent assets.

The Corporation is not aware of any contingent liabilities.

The Corporation has issued no guarantees.

**Note 29 Related Party Transactions**

**29.1 Significant transactions with government related entities**

The Corporation does not have any significant transactions with government related entities which are not elsewhere disclosed in the financial statements.

**29.2 Collectively, but not individually significant transactions with government related entities**

Quantitative information about transactions and balances between the Corporation and other SA Government entities are disclosed at Note 34.

**29.3 Transactions with Key Management Personnel and other related parties**

Compensation of Key Management Personnel is disclosed at Note 3.2.

Unless otherwise disclosed, transactions between key management personnel and other related parties 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 arm's length in the same circumstances.

**Note 30 Cash Flow Reconciliation**

	2018	2017
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
<b>Statement of Financial Position</b>		
<b>Current</b>		
Cash and cash equivalents	31 540	38 345
<b>Non-current</b>		
Specific purpose deposits	11 648	15 815
<b>Cash and cash equivalents as recorded in the Statement of Cash Flows</b>	<b>43 188</b>	<b>54 160</b>

**Reconciliation of profit / (loss) to net cash provided by operating activities:**

Net Profit / (Loss) for the year	(9 143)	(5 711)
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation expense	17 958	14 178
Leased land income	( 58)	( 58)
Net (Gain)/Loss on disposal of assets	195	25
<b>Changes in assets / liabilities</b>		
(Increase) / Decrease in receivables	(339)	291
(Increase) / Decrease in inventories	( 93)	26
(Decrease) / Increase in payables	610	( 728)
(Decrease) / Increase in other liabilities	1 221	1 636
(Decrease) / Increase in employee benefits	449	147
Borrowing Costs	19 094	17 362
<b>Net cash provided by operating activities</b>	<b>29 894</b>	<b>27 168</b>

**Note 31 Financial Risk Management**

The Corporation is exposed to a variety of financial risks, market risk (foreign exchange and price), credit risk and liquidity risk.

Risk management is carried out by the corporate services section and risk management policies and practices are in accordance with Australian Risk Management Standards and internal written policies approved by the Board.

The Corporation has non-interest bearing assets (cash on hand and receivables) and liabilities (payables) and interest bearing assets (cash at bank, held to maturity investments and specific purpose deposits).

The Corporation's exposure to cash flow interest rate risk is minimal.

The Corporation has no exposure to foreign exchange risk in relation to its financial assets or liabilities.

The Corporation has no significant concentration of credit risk. The Corporation has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

**Note 32 Impact of Standards and Statements not yet implemented**

The Corporation has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet implemented and changes to Accounting Policy Statements issued by the Treasurer.

The material impacts are outlined in the table below.

Ref	Title and date of standard application	Summary	Impact on financial statements	Application date for Corporation
AASB 16	Leases 1 Jan 2019	<p>This new 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.</p> <p>A lessee is required to recognise a right-of-use asset representing its rights to use the underlying leased asset, and a lease liability representing its obligations to make lease payments.</p> <p>The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use assets will give rise to depreciation expense.</p> <p>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.</p>	<p>As at 30 June, the Corporation has non-cancellable operating lease commitments of \$28 138 000. Refer Note 26.</p> <p>These are currently recorded as commitments and are not captured in the Statement of Financial Position.</p> <p>The initial assessment has indicated that as most operating leases will meet the definition of leases under AASB 16 and therefore come on balance sheet, recognition of right-of-use lease assets and lease liabilities will have a significant impact on the Statement of Financial Position and an increase in net debt.</p> <p>Further, it is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within operating activities in the Statement of Cash Flows.</p> <p>The Corporation has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases.</p>	1 July 2019

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AASB 16	Leases 1 Jan 2019 (Continued)	<p>Further, 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.</p> <p>AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognised existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus at the date of initial application.</p>	The quantitative effect will depend on the transition method adopted, discount rates applied, the extent to which we use practical expedients and recognition exemptions and any additional leases entered into.	
AASB 1058	Income of Not-for- Profit Entities 1 Jan 19	<p>The new standard specifies income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15.</p> <p>AASB 1058 and AASB 15 will supersede the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004.</p> <p>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.</p>	The Corporation has commenced analysing the recognition requirements under this standard and is yet to form conclusions about significant impacts.	1 July 2019

**Note 33 Events after the reporting period**

Where an event occurs after 30 June but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years. The Corporation is not aware of any such events arising.

**Note 34 Transactions with SA Government**

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note		SA Government*		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
	<b>EXPENSES</b>						
3	Employee benefits expenses						
	Salaries and wages	-	-	26 206	21 515	26 206	21 515
	Long service leave	-	-	530	361	530	361
	Annual leave	-	-	1 072	975	1 072	975
	Skills and experience retention leave (SERL)	-	-	62	52	62	52
	Employment on-costs - superannuation	2 532	2 132	60	359	2 592	2 491
	Employment on-costs - other	1 532	1 269	246	231	1 778	1 500
	Board fees	-	-	186	163	186	163
	<b>Total employee benefits expenses</b>	<b>4 064</b>	<b>3 401</b>	<b>28 362</b>	<b>23 656</b>	<b>32 426</b>	<b>27 057</b>
5	Supplies and services						
	Administration expenses and sundries	619	489	2 942	2 012	3 561	2 501
	Direct materials	-	-	9 971	8 398	9 971	8 398
	Building services costs	1 849	2 449	5 180	2 734	7 029	5 183
	Repairs and maintenance	-	-	2 486	2 252	2 486	2 252
	Marketing and promotions	-	3	2 351	1 802	2 351	1 805
	<b>Total supplies and services</b>	<b>2 468</b>	<b>2 941</b>	<b>22 930</b>	<b>17 198</b>	<b>25 398</b>	<b>20 139</b>
6	Depreciation and amortisation						
	Plant and equipment	-	-	4 139	3 210	4 139	3 210
	Buildings	-	-	13 515	10 677	13 515	10 677
	Leasehold improvements	-	-	304	291	304	291
	<b>Total depreciation and amortisation</b>	<b>-</b>	<b>-</b>	<b>17 958</b>	<b>14 178</b>	<b>17 958</b>	<b>14 178</b>

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Note		SA Government*		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
7	Net (loss) / gain from the disposal of non-current assets						
	Proceeds from disposal	-	-	37	55	37	55
	Less net book value of assets disposed	-	-	(232)	(80)	(232)	(80)
	<b>Total (loss) / gain from the disposal of non-current assets</b>	-	-	(195)	(25)	(195)	(25)
8	Borrowing costs						
	Guarantee fees	6 103	5 594	-	-	6 103	5 594
	Interest expense	13 032	12 139	-	-	13 032	12 139
	<b>Total borrowing costs</b>	19 135	17 733	-	-	19 135	17 733
	<b>REVENUES</b>						
9	Facility charges revenues						
	Car park	29	71	5 980	4 519	6 009	4 590
	Catering	2 026	1 442	27 078	22 027	29 104	23 469
	Corporate	-	-	2 224	2 273	2 224	2 273
	Recoveries	296	294	5 112	4 335	5 408	4 629
	Technical services	624	622	4 011	3 458	4 635	4 080
	Venue hire	742	914	10 225	7 416	10 967	8 330
	<b>Total facility charges revenues</b>	3 717	3 343	54 630	44 028	58 347	47 371
	Interest revenues	677	839	86	47	763	886
	<b>Total interest revenues</b>	677	839	86	47	763	886
10	Other revenues						
	Merchandise revenues	-	-	274	235	274	235
	Ticketing charges	-	-	758	511	758	511
	Property lease revenue	-	-	455	447	455	447
	Other revenue	-	-	1 198	1 322	1 198	1 322
	<b>Total other revenues</b>	-	-	2 685	2 515	2 685	2 515

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Note		SA Government*		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
11	Revenues from SA Government						
	Funding	5 039	4 916	-	-	5 039	4 916
	Grant Payments	19 135	17 733	-	-	19 135	17 733
	<b>Total revenues from SA Government</b>	<b>24 174</b>	<b>22 649</b>	<b>-</b>	<b>-</b>	<b>24 174</b>	<b>22 649</b>
	<b>FINANCIAL ASSETS</b>						
12	Cash and cash equivalents						
	Cash at bank and Cash on hand	31 061	37 938	479	407	31 540	38 345
	<b>Total cash and cash equivalents</b>	<b>31 061</b>	<b>37 938</b>	<b>479</b>	<b>407</b>	<b>31 540</b>	<b>38 345</b>
13	Receivables						
	Receivables	445	111	2 722	2 110	3 167	2 221
	Less allowance for doubtful debts	-	-	(12)	(5)	(12)	(5)
	Accrued revenues	2 156	2 100	102	104	2 258	2 204
	GST input tax recoverable	-	-	78	1 085	78	1 085
	Prepayments	17	12	661	313	678	325
	<b>Total receivables</b>	<b>2 618</b>	<b>2 223</b>	<b>3 551</b>	<b>3 607</b>	<b>6 169</b>	<b>5 830</b>
15	Specific purpose deposits						
	Investments with SA Financing Authority	2 797	2 745	-	-	2 797	2 745
	Future assets replacement deposit account	8 851	13 070	-	-	8 851	13 070
	<b>Total specific purpose deposits</b>	<b>11 648</b>	<b>15 815</b>	<b>-</b>	<b>-</b>	<b>11 648</b>	<b>15 815</b>
	<b>FINANCIAL LIABILITIES</b>						
19	Payables						
	Creditors	1 215	4 641	1 877	2 292	3 092	6 933
	Accrued expenses	723	820	589	270	1 312	1 090
	Employment on-costs	558	497	-	-	558	497
	Interest accrued	1 433	1 405	-	-	1 433	1 405
	<b>Total payables</b>	<b>3 929</b>	<b>7 363</b>	<b>2 466</b>	<b>2 562</b>	<b>6 395</b>	<b>9 925</b>

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Note		SA Government*		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
23	Other liabilities						
	Income received in advance	1 071	1 578	9 477	7 749	10 548	9 327
	Unearned lease revenue	-	-	5 015	5 073	5 015	5 073
	<b>Total other liabilities</b>	1 071	1 578	14 492	12 822	15 563	14 400
24	Borrowings	382 321	382 321	-	-	382 321	382 321
	<b>Total borrowings</b>	382 321	382 321	-	-	382 321	382 321

\* This note does not include a dividend/distribution to the SA Government as owner. Dividend information is provided in Note 22.