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To the Chair Adelaide Festival Centre Trust

Opinion

I have audited the financial report of the Adelaide Festival Centre Trust and its controlled entities for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Festival Centre Trust and its controlled entities as at 30 June 2025, their financial performance and their cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, Chief Executive Officer and the Chief Financial Officer/ Chief Operating 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 Festival Centre Trust and its controlled entities. 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 (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive Officer and members of the Trust 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 relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Disclosures, 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.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's and consolidated entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, section 24(3) of the *Adelaide Festival Centre Trust Act 1971* and section 32(4) of the *Public Corporations Act 1993*, I have audited the financial report of the Adelaide Festival Centre Trust and its controlled entities for the financial year ended 30 June 2025.

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, but not for the purpose of expressing an opinion on the effectiveness of the Adelaide Festival Centre Trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial report. I am responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. I remain solely responsible for my audit opinion.

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 and members of the Trust 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.



Daniel O'Donohue
Deputy Auditor-General

29 September 2025

Adelaide Festival Centre Trust

Certification of the Financial Statements

We certify that the:

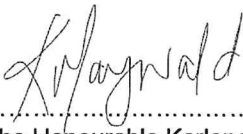
- financial statements of the Adelaide Festival Centre Trust:
 - are in accordance with the accounts and records of the Trust;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Trust at 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 Festival Centre Trust for the financial year over its financial reporting and its preparation of financial statements have been effective.



Kate Gould
Chief Executive Officer
24 September 2025



Steven Woolhouse
Chief Financial Officer/Chief Operating Officer
24 September 2025



The Honourable Karlene Maywald
Chair
24 September 2025

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Adelaide Festival Centre Trust

Statement of Comprehensive Income for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income			
SA Government grants, subsidies and transfers	3.1	19,383	16,650
Sales of goods and services	3.2	26,209	24,880
Other income	3.3	10,932	11,695
Total income		56,524	53,225
Expenses			
Employee related expenses	4.1	22,609	21,559
Supplies and services	4.2	19,386	16,497
Depreciation and amortisation	5.6, 5.7, 5.11	9,642	2,486
Borrowing costs		3,796	3,664
Other expenses	4.3	969	889
Total expenses		56,402	45,095
Net result		122	8,130
Other comprehensive income			
Changes in asset revaluation surplus	5.7, 5.10, 5.11	21,246	20,128
Total other comprehensive income		21,246	20,128
Total comprehensive result		21,368	28,258

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

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Adelaide Festival Centre Trust

Statement of Financial Position
as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	5.1	40,094	36,426
Receivables	5.2	2,068	1,837
Inventories	5.4	180	177
Total current assets		42,342	38,440
Non-current assets			
Other financial assets	5.3	5,311	3,722
Property, plant and equipment	5.6	228,246	223,921
Works of art	5.9	24,883	13,981
Intangible assets	5.1	103	146
Total non-current assets		258,543	241,770
Total assets		300,885	280,210
Current liabilities			
Payables	6.1	3,013	2,088
Other financial liabilities	6.2	249	250
Employee related liabilities	6.3	2,177	2,399
Provisions	6.4	61	74
Other non-financial liabilities	6.5	824	2,488
Total current liabilities		6,324	7,299
Non-current liabilities			
Other financial liabilities	6.2	61,750	61,997
Employee related liabilities	6.3	2,666	2,211
Provisions	6.4	206	316
Other non-financial liabilities	6.5	184	-
Total non-current liabilities		64,806	64,524
Total liabilities		71,130	71,823
Net assets		229,755	208,387
Equity			
Asset revaluation surplus		54,711	33,465
Contributed capital		149,999	149,999
Retained earnings		25,045	24,923
Total Equity		229,755	208,387

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Adelaide Festival Centre Trust

Statement of Changes in Equity for the year ended 30 June 2025

	Note	Contributed capital \$ '000	Asset revaluation surplus \$ '000	Retained Earnings \$ '000	Total Equity \$ '000
Balance at 1 July 2023		137,792	13,337	16,793	167,922
Net result from 2023-2024		-	-	8,130	8,130
Gain on revaluation of property, plant & equipment		-	20,128	-	20,128
Total comprehensive result for 2023-2024		-	20,128	8,130	28,258
Equity contribution received		12,207	-	-	12,207
Balance at 30 June 2024		149,999	33,465	24,923	208,387
Revised balance at 30 June 2024		149,999	33,465	24,923	208,387
Net result from 2024-2025		-	-	122	122
Gain on revaluation of property, plant & equipment	5.7, 5.10, 5.11	-	21,246	-	21,246
Total comprehensive result for 2024-2025		-	21,246	122	21,368
Balance at 30 June 2025		149,999	54,711	25,045	229,755

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

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Adelaide Festival Centre Trust

Statement of Cash Flows
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government grants, subsidies and transfers		19,383	16,650
Receipts from patrons and customers		35,068	31,862
Interest received		1,928	6,916
GST recovered		259	255
Cash outflows			
Employee related payments		(22,497)	(21,326)
Payments for supplies and services		(21,207)	(19,126)
Interest paid		(3,796)	(3,664)
Decrease in funds held on behalf of promoters and patrons		-	(90)
GST paid		(547)	(1,096)
Net cash from operating activities		8,591	10,382
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment & Works of Arts		(3,086)	(140,817)
Purchase of investments		(1,589)	(2,137)
Net cash used in investing activities		(4,675)	(142,954)
Cash flows from financing activities			
Cash inflows			
Equity Contribution from SA Government as owner		-	12,207
Cash outflows			
Repayment of lease liability		(248)	21
Net cash used in financing activities		(248)	12,228
Net increase in cash and cash equivalents		3,668	(120,344)
Cash and cash equivalents at the beginning of the period		36,426	156,770
Cash and cash equivalents at the end of the period	5.1	40,094	36,426

The accompanying notes form part of these financial statements.

1. About the Adelaide Festival Centre Trust

The Adelaide Festival Centre Trust (the Trust) is a not-for-profit South Australian Government Statutory Authority established under the Adelaide Festival Centre Trust Act 1971.

On 21 October 1999 the Adelaide Festival Centre Foundation (the Foundation) was incorporated under the Associations Incorporation Act 1985. The Foundation is controlled by the Trust by virtue of clauses in the Foundation's constitution which requires its Board appointments to be approved by the Trust and also require the Foundation to act in accordance with directions from the Trust.

The financial statements and accompanying notes comprise the activities of the Trust and the Foundation. The activities of the Foundation are not material and therefore a full consolidated presentation has not been adopted. Consistent accounting policies have been applied and all inter-entity balances and transactions arising with the Foundation have been eliminated in full. The financial results of the Foundation are summarised in note 8.1.

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the Public Finance and Audit Act 1987;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the Public Finance and Audit Act 1987; and
- relevant Australian Accounting Standards applying simplified disclosures.

For the purposes of preparing the financial statements, the Trust is a not-for-profit entity. The financial statements are prepared based on a 12-month reporting 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.

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

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, 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.

Assets that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the department has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

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

1.2 Objectives and programs

The objectives of the Trust are to:

- a) encourage and facilitate artistic, cultural and performing arts activities throughout the State;
- b) be responsible for the care, management, maintenance and improvement of the Adelaide Festival Centre (AFC) and Her Majesty's Theatre (HMT) and their facilities;
- c) provide expert advisory, consultative, managerial or support services to persons associated with artistic, cultural or performing arts activities; and
- d) promote the involvement of young people and their families and extend activities into the school sector.

2. Boards and committees

2.1 Key management personnel

Key management personnel of the Trust include the Minister, trustees, the Chief Executive Officer/Artistic Director and the Chief Financial Officer/Chief Operating Officer. Total compensation for key management personnel was \$0.888m (\$0.890m)

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 under section 6 of the *Parliamentary Remuneration Act 1990*.

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Transactions with key management personnel and other related parties

Related parties of the Trust include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

As a part of the duties of office, from time to time, trustees receive complimentary tickets, for official purposes, to shows and events conducted by or through the Trust. These benefits serve to involve the trustees in the product and business that is being managed and/or involve the execution of office in liaison with external parties.

2.2 Board and committee members

Trustees during the 2024-25 financial year were:

The Honourable Karlene Maywald (Chair)	Ms Alexandra Cannon OAM
Mr Bruce Carter AO (Deputy Chair)	Ms Penny Griggs
Mr Michael Abbott AO KC	Councillor Phillip Martin
Dr Katherine Tamiko Arguile	Dr Evelyn Yap OAM

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

Board and committee remuneration

	2025	2024
\$1 - \$19,999	8	11
Total number of members	8	11

The total remuneration received or receivable by members was \$28,910 (\$20,060). Remuneration of members includes all costs paid/payable to board members, such as sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

3. Income

The Trust's income is derived principally from fees and charges for rental of its theatres, production recoveries for theatre staff, revenue from ticket sales and for ticketing services, sponsorship and income from bar sales and functions.

3.1 SA Government grants, subsidies and transfers

	2025	2024
	\$'000	\$'000
Operating grant	12,784	9,996
HMT redevelopment funding	3,425	3,425
AFC carpark revenue supplementation	1,529	1,491
Other SA Government revenue	1,645	1,738
Total intra-government transfers	19,383	16,650

Revenue from the SA Government is received in the form of grants and are recognised on receipt in accordance with AASB 1058. The operating base and redevelopment funding are granted through memorandum of administrative arrangements between the Department of the Premier and Cabinet (DPC) and the Trust. Other SA Government revenue is received through individual grant agreements with various SA Government agencies.

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3.2 Sales of goods and services

	2025	2024
	\$'000	\$'000
Theatre services	13,087	13,865
Ticketing	4,223	3,695
Box office	2,698	1,815
Sponsorship	832	639
Catering and functions	5,369	4,866
Total sales of goods and services	26,209	24,880

The Trust recognises income from the sales of goods and services in the period the goods or service have been provided. The majority of sales for goods and services are derived under contract and recognised in accordance with AASB 15.

3.3 Other income

	2025	2024
	\$'000	\$'000
Donations	6,255	3,040
Grants - Non SA Government	530	464
Sub lease rent	233	184
Interest	1,928	6,916
Gains on Foundation investment	423	207
Goods/services received free of charge	563	86
Sundry income	1,000	798
Total other income	10,932	11,695

Donation income relates to fundraising activities undertaken by the Foundation. Funds raised are used to make the performing arts more accessible for the public of South Australia.

Cash donations to support the children's and education programs, prizes and internships, are received from the public through the Foundation. Fundraising income and donations are recognised on receipt.

Sundry income includes irregular incomes which cannot reasonably be classified in the other classifications.

4. Expenses

4.1 Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	17,690	16,973
Long service leave	421	529
Annual leave	1,087	971
Superannuation	2,035	1,836
Board fees	29	20
Other employee related expenses	1,347	1,230
Total employee related expenses	22,609	21,559

Superannuation

The superannuation expense represents the Trust's contributions to superannuation plans in respect of current services of current employees.

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(a) Employee remuneration

The number of staff whose remuneration received or receivable falls within the following bands:	2025	2024
\$166,001 to \$171,000*	n/a	1
\$171,001 to \$191,000	5	5
\$311,001 to \$331,000	1	-
\$511,001 to \$531,000	1	1
Total	7	7

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2023-24

(b) Performance bonus remuneration of staff (included in table (a) above)

	2025	2024
The number of staff who received performance bonus remuneration within the following bands:	Number	Number
\$30,001 to \$60,000	1	1
Total	1	1

Table (a) includes all employees whose normal remuneration was 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, as well as any termination benefits for employees who have left the Trust. Total remuneration received for the year, included in table (a) was \$1.74m (\$1.58m).

4.2 Supplies and services

	2025	2024
	\$'000	\$'000
Accommodation	5,205	4,940
Artistic production	5,730	4,216
Advertising and marketing	1,367	1,010
Supplies	2,404	2,108
Communications and IT	1,551	1,513
Professional expenses	1,236	1,340
Repairs and maintenance	1,333	878
Travel and entertainment	353	318
Sponsorship	131	116
Bank and credit charges	76	58
Total supplies and services	19,386	16,497

Accommodation costs are principally made up of the costs of utilities, cleaning, security, etc.

Advertising and marketing and Artistic production expenses relate to the costs involved in the direct provision of performances, festivals and other artistic offerings presented by the Trust.

Supplies include cost of goods sold, including food and beverages sold at functions and through the bars.

Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the Public Finance and Audit Act 1987 were \$70,800 (\$69,400). No other services were provided by the Audit Office of South Australia.

4.3 Other expenses

	2025	2024
	\$'000	\$'000
Net loss from disposal of property, plant and equipment	34	425
Other	935	464
Total other expenses	969	889

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5. Assets

5.1 Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Cash at bank and on hand	34,260	33,929
Cash held in donations from Foundation	5,834	2,497
Total cash and cash equivalents	40,094	36,426

The Trust operates a trust account where box office sales on behalf of promoters is held until the shows have been completed, refer to note 6.1 Payables. As an incorporated association and deductible gift recipient, the Foundation operates its own bank accounts. Cash is measured at nominal amounts and all bank deposits are interest bearing.

Interest rate risk

Cash on hand is non-interest bearing. Cash at bank earns a floating interest rate, based on daily bank deposit rates.

The carrying amount of cash and cash equivalents represents fair value.

5.2 Receivables

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Trade receivables		
From government entities	53	59
From non-government entities	489	446
Less impairment loss on receivables	-	(26)
Total trade receivables	542	479
Statutory receivables		
GST input tax recoverable	14	150
Total statutory receivables	14	150
Prepayments	48	281
Accrued revenues	1,464	927
Total current receivables	2,068	1,837

Trade receivables arise in the normal course of selling goods and services to other government agencies, and to the public. Trade receivables are generally settled within 14 days after the issue of an invoice, or the goods/services have been provided under a contractual arrangement.

Statutory receivables do not arise from contracts with customers. They are related to taxes and tax equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables. Statutory receivables are not financial assets.

The net amount of GST receivable from the ATO is included as part of receivables.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and are measured at amortised cost.

Impairment losses relate to contracts with customers external to SA Government. No impairment loss was recognised in relation to statutory receivables.

5.3 Other financial assets

	2025	2024
	\$'000	\$'000
<u>Non current</u>		
Financial investment	5,311	3,722
Total other financial assets	5,311	3,722

The financial investment represents an investment portfolio held by the Foundation and managed by Morgan Stanley.

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5.4 Inventories

	2025 \$'000	2024 \$'000
Materials at cost	180	177
Total inventories	180	177

Cost of inventories

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost and their net realisable value.

5.5 Useful life and depreciation of non-financial assets

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings	60
Public Realm improvements	22-77
Plant and equipment	5-25
Intangible assets	5

The useful lives of right-of-use assets is the lease term.

The Trust holds works of art and land on which depreciation is not applied because these items are considered to have an indeterminable useful life.

5.6 Property, plant and equipment by asset class

Property, plant and equipment comprises of tangible assets owned and right of use (leased) assets. The assets presented below do not meet the definition of investment property.

	Land \$'000	Buildings \$'000	Public realm improv'ts \$'000	Plant & equipment \$'000	Capital works in progress \$'000	Right-of-use lease \$'000	Total \$'000
Reconciliation 2024-25							
Carrying amount at the beginning of the period	62,684	103,186	47,468	9,900	68	615	223,921
Donated asset from DIT	-	-	510	-	-	-	510
Acquisitions	-	132	-	704	2,238	-	3,074
Revaluation increment	3,546	3,171	1,122	2,478	-	-	10,317
Depreciation	-	(6,310)	(1,433)	(1,603)	-	(248)	(9,594)
Derecognition of asset	-	-	-	-	-	(17)	(17)
Other changes	-	-	-	24	-	11	35
Carrying amount at the end of the period	66,230	100,179	47,667	11,503	2,306	361	228,246

Revaluation surplus relating to de-recognised property, plant and equipment is transferred to retained earnings on de-recognition.

5.7 Property, plant and equipment owned by the Trust

Property, plant and equipment with a value equal to, or in excess of \$15,000 is capitalised, otherwise it is expensed. Owned property, plant and equipment is subsequently measured at fair value. Revaluation of property, plant and equipment is undertaken on a regular cycle and is revalued at least every six years. However, if at any time management considers 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. 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.

Land and buildings

An independent valuation of the land and buildings was carried out at 30 June 2025 by using the market approach under AASB 13. The land and buildings relate to the Festival Theatre, Her Majesty's Theatre and parts of the Festival Plaza owned by the Trust.

Plant and equipment

An independent valuation of plant and equipment was carried out at 30 June 2025 by using the market approach under AASB 13 and also considering the 'highest and best use' of each item. The market approach requires the valuer to observe the market for similar or identical assets to reach an opinion of value.

Impairment

Property, plant and equipment have been assessed for impairment as part of the stocktake process. There was no indication of impairment.

5.8 Property, plant and equipment leased by the Trust

Right-of-use assets for property, plant and equipment leased by the Trust as lessee are measured at cost.

Short-term leases of 12-months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets.

The Trust has the following leases:

- Four motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term. From 1 April 2025, motor vehicle leases with SAFA Fleet are no longer accounted for under AASB 16 Leases. Lease payments from this date are expensed, and related right-of-use assets and liabilities were derecognised as at 31 March 2025.
- One commercial lease with a private landlord for a storage facility at Kilburn with a term of 5 years (expiring 31 January 2027 with a right of renewal for two further 2 year terms on 1 February 2027 and 1 February 2029 respectively) and annual lease payment of \$254,534 in the 2025-26 financial year.

The commercial lease is a right-of-use asset, and financial liabilities relating to this lease are disclosed in note 6.2.

Impairment

Property, plant and equipment leased by the Trust has been assessed for impairment. There was no indication of impairment.

5.9 Works of art

	2025	2024
	\$'000	\$'000
Works of art at fair value	24,883	13,981
Total works of art	24,883	13,981

A valuation of works of art was carried out by Theodore Bruce Auctions Pty Ltd as at 30 June 2025, estimating fair value of the pieces in the collection by using the market approach under AASB 13 and taking into account the present condition of each item. This approach required observation of the market for identical or similar assets to reach an opinion of value.

Reconciliation 2024-25

	\$'000
Carrying amount at 1 July 2024	13,981
Revaluation increment	10,924
Acquisitions	12
Disposals	(34)
Carrying amount at 30 June 2025	24,883

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5.10 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5,000.

Reconciliation 2024-25	Purchased computer software
	\$'000
Carrying amount at 1 July 2024	146
Revaluation increment	5
Amortisation	(48)
Carrying amount at 30 June 2025	103

6. Liabilities

6.1 Payables

	2025	2024
	\$'000	\$'000
Current		
Contractual payables	53	-
Payables	1,175	1,086
Accrued expenses	1,714	933
Statutory payables		
Accrued audit fee	71	69
Total current payables	3,013	2,088
Total payables	3,013	2,088

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing.

Contractual payables

Contractual payables are normally settled within 15 days from the date the invoice is received.

Statutory payables

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents as well as statutory fees and charges. Statutory payables are carried at cost. They are not financial liabilities.

6.2 Other financial liabilities

	2025	2024
	\$'000	\$'000
Current		
Lease liabilities	249	250
Total current borrowings	249	250
Non-current		
Borrowings from SA Government	61,598	61,598
Lease liabilities	152	399
Total non-current borrowings	61,750	61,997
Total borrowings	61,999	62,247

Borrowings

In 2017-18 the Trust entered into a funding agreement to finance the redevelopment of Her Majesty's Theatre. The term of the agreement is 10 years and the interest rate is determined by the Treasurer. The interest rate was 4.25% as at June 2025 (4.75% as at June 2024). The repayments for this agreement have been interest only.

Lease liabilities

Lease liabilities are related to property, plant and equipment lease arrangements disclosed in note 5.8.

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Future lease payment maturity analysis

	2025	2024
	\$'000	\$'000
Not later than one year	254	245
Later than one year but not longer than five years	152	407
Total future lease payments	406	652

The future lease payments are presented at nominal amounts.

6.3 Employee related liabilities

	2025	2024
	\$'000	\$'000
Current		
Annual leave	1,120	1,059
Long service leave	114	325
Accrued salaries and wages	492	355
Skills and experience retention leave	123	120
Employment on-costs	328	540
Total current employee related benefits	2,177	2,399
Non-current		
Long service leave	2,413	2,005
Employment on-costs	253	206
Total non-current employee related liabilities	2,666	2,211
Total employee related liabilities	4,843	4,610

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Apart from long service leave liability, employee related liabilities are measured at nominal amounts.

Long service leave liability

Long service leave liability 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. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the Trust's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the Trust. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has remained constant from 2024 (4.25%) to 2025 (4.25%).

The Trust classifies a portion of long service leave as current, based on the past 12-months history of settlements.

Employment on-costs liabilities

Employment on-costs liabilities include payroll tax, Fringe Benefits Tax, Pay As You Go Withholding, ReturnToWorkSA levies and superannuation contributions. They are settled when the respective employee benefits that they relate to are discharged. These on-costs liabilities primarily relate to the balance of leave owing to employees. The estimated proportion of long service leave to be taken as leave, rather than to be paid on termination, affects the amount of on-costs liabilities recognised as a consequence of long service leave liabilities.

The Trust contributes 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 reporting date relates to any contributions due but not yet paid to the respective superannuation schemes.

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 remained constant at the rate of 44% (2024 44%) and the average factor for the calculation of employer superannuation cost on-costs has changed from the 2024 rate (11.5%) to 12%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial for the employment on-cost and employee benefits expense. The impact on future periods is impracticable to estimate. The actuarial assessment performed by the Department of Treasury and Finance maintained the salary inflation rate at 3.5% (2024: 3.5%) for the long service leave liability.

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6.4 Provisions

	2025 \$'000	2024 \$'000
<u>Current</u>		
Provision for workers compensation	61	74
Total current provisions	61	74
<u>Non-current</u>		
Provision for workers compensation	206	316
Total non-current current provisions	206	316
Total provisions	267	390

Movement in provisions

	2025 \$'000
Carrying amount at the beginning of the period	390
Additional provisions recognised	71
Revaluation of claims	(194)
Reductions arising from payments	-
Carrying amount at the end of the period	267

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2025, provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The Trust is responsible for the payment of workers compensation claims.

6.5 Other non-financial liabilities

	2025 \$'000	2024 \$'000
<u>Current</u>		
Venue hire deposits	523	764
Income in advance	290	1,715
Unclaimed monies	11	9
Total current other liabilities	824	2,488
<u>Non-current</u>		
Income in advance	184	-
Total non-current other liabilities	184	-
Total other liabilities	1,008	2,488

Income in advance

Income received for the programming, marketing and sponsorship of performances and deposits on functions, where the performance, function or event is being held after balance date.

7. Outlook

7.1 Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value and inclusive of non-recoverable GST.

Contractual commitments

	2025	2024
	\$'000	\$'000
Not later than one year	3,741	3,008
Later than one year but not longer than five years	6,148	7,608
Total expenditure commitments	9,889	10,616

The Trust's expenditure commitments are for agreements for maintenance of computer systems, cleaning and waste management, provision of artistic services and provision of festival related services.

7.2 Expected rental income

Operating lease receivable maturity analysis

	2025	2024
	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as assets are receivable as follows:		
Not later than one year	186	182
Later than one year but not longer than five years	501	619
Later than five years	561	622
Total future lease receivables expected from operating leases	1,248	1,423

The Trust has a 10 year agreement that commenced 1 January 2018 to sub-lease food and beverage space in the Adelaide Festival Centre. The rent receivable is determined by the annual rent charge including any set levies, and subject to an annual rent increase of 2%.

The Trust has a 5 year agreement that commenced 1 July 2023 to sub-lease the kiosk retail space in the Adelaide Festival Centre. The rent receivable is determined by the annual rent charge including any set levies. The rent was rebated in full until 1 July 2024.

The future lease receivables from operating leases are not recognised on the 2024-25 financial statements. The above table sets out a maturity analysis of operating lease payments receivable, showing the undiscounted lease payments to be received after the reporting date.

Refer to note 5.8 for information about equipment the Trust leases out under operating leases.

7.3 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.

Contingent Assets

The Trust is not aware of any contingent assets.

Contingent liabilities

The Trust is not aware of any contingent liabilities.

7.4 Events after the reporting period

Following a change in the Foundation's governing rules, effective from 25 July 2025 the Trust no longer retains the power to govern the financial and operating policies of the Foundation, nor does it have the ability to derive economic benefits from or direct the use of the Foundation's assets.

Accordingly, from 25 July 2025 the financial activity of the Foundation will be derecognised from the Trust's financial statements in accordance with applicable accounting standards. Note 8.1 discloses the Foundation's revenues, expenses, and assets for the year ended 30 June 2025.

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8. Other disclosures

8.1 Controlled Entity

The consolidated financial statements at 30 June 2025 include the transactions of the Adelaide Festival Centre Foundation Incorporated. Significant items in the financial report of the Foundation are:

	2025	2024
	\$'000	\$'000
Revenue	6,515	3,177
Expenses	1,767	572
Surplus	4,748	2,605
Cash at bank	5,834	2,497
Investments	5,311	3,722

All gifts and money received by the Foundation are used to support artistic programs for children and youth, scholarships and regional programs.